



DULUTH AIRPORT AUTHORITY

NOTICE OF THE DULUTH AIRPORT AUTHORITY

BOARD MEETING

PURSUANT TO MINN. STAT. § 13D.02

NOTICE IS HEREBY GIVEN Duluth Airport Authority will hold its *regular* meeting on **Tuesday, February 20th, 2024 at 8:00 a.m.** in the Amatuzio Conference Room, Third Floor, in the Duluth International Airport Terminal Building, 4701 Grinden Drive, Duluth, MN 55811

In accordance with the requirements of Minn. Stat. Section 13D.02, Director Jeff Anderson will appear remotely via interactive technology from the following public location:
202 7th St. W, St. Paul, MN 55102

Members of the public may monitor the meeting by clicking below to access the meeting by Microsoft Teams: "Microsoft Teams Meeting" (information below).

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 249 336 734 244

Passcode: ihi3nk

[Download Teams](#) | [Join on the web](#)

The public may express their comments for consideration by the Duluth Airport Authority prior to the meeting by email or in writing to daa@duluthairport.com or to Duluth Airport Authority, 4701 Grinden Drive, Duluth, MN 55811.



DULUTH AIRPORT AUTHORITY

DULUTH AIRPORT AUTHORITY MEETING AGENDA FEBRUARY 20, 2024

AMATUZIO CONFERENCE ROOM DULUTH INTERNATIONAL AIRPORT

I. * EXECUTIVE DIRECTOR'S REVIEW

- A. Information Letter to DAA Directors

II. APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS

- A. Approval of January 16, 2024 Meeting Minutes

III. DAA CASH DISBURSEMENTS

- A. Operating Check Register Sheets #2-4 of 2024; Operating ACH Payment Register #2-4 of 2024; Construction ACH Register #1-3 of 2024.

IV. CORRESPONDENCE

- A. DLH Construction Newsletter:
 - i. Dated January 19, 2024.
- B. DYT Construction Newsletter:
 - i. Dated January 19, 2024.
- C. January 2024: "Wingless Travel" Takes Flight at Regional Airports. AirportImprovement Magazine.
- D. January 12, 2024: Duluth air travelers prepare for layovers ahead of weekend snow storm. Northern News Now.
- E. January 24, 2024: Duluth Airport prepares to welcome President Biden. Northern News Now.
- F. January 10, 2024: Letter to IT Modernization Steering Committee. Minnesota's Local Air Service Action Committee.
- G. January 22, 2024: Mayor Roger J. Reinert announces the City of Duluth's top 2024 legislative bonding priorities. City of Duluth Communications Office.
- H. February 2024: Stronger Together! 27th Annual Duluth & St. Louis County at the Capitol Days, March 6-7. Chamber Xpress.
- I. February 7, 2024: Letter to Senator Klobuchar Re: FAA Reauthorization – Enhanced Qualification Program Amendment. Minnesota's Local Air Service Action Committee.
- J. February 7, 2024: Letter to Senator Smith Re: FAA Reauthorization – Enhanced Qualification Program Amendment. Minnesota's Local Air Service Action Committee.
- K. February 8, 2024: Senate Committee Approves FAA Bill. AAEE Federal Affairs Airport Alert.
- L. February 10, 2024: Duluth seeks replacement of outdated air traffic tower. Star Tribune.



V. OPPORTUNITY FOR PERSONS TO BE HEARD

VI. OLD BUSINESS

None

VII. NEW BUSINESS

- A. Resolution to Approve Sponsorship Agreement Between the DAA and ALLETE Inc.
- B. Resolution to Award Contract in the Amount of 83,624.00 to Parsons Electric for the Reconstruction of the Runway 27 Precision Approach Pathway Indicator (PAPI) Lights.
- C. Resolution to Approve Work Order 2024-1 between Short Elliot Hendrickson, Inc. and the Duluth Airport Authority for the Construction Administration of the Runway 27 PAPI Replacement.
- D. Resolution to Approve the Vehicle Rental Lease and Concession Agreement Between the Duluth Airport Authority and Sonju Enterprises Inc. (Avis Rent-A-Car).
- E. Resolution to Approve the Vehicle Rental Lease and Concession Agreement Between the Duluth Airport Authority and Krenzen Corporation (Budget Rent-A-Car).
- F. Resolution to Approve the Vehicle Rental Lease and Concession Agreement Between the Duluth Airport Authority and Enterprise Leasing Company of Minnesota, LLC (Enterprise Rent-A-Car, National Car Rental and Alamo Rent-A-Car).
- G. Resolution to approve Renewal Agreement between iFIDS and the Duluth Airport Authority.
- H. *December 2023 Financial Reports
- I. *February 2024 Accounts Receivable
- J. *January 2024 Landline Statistics

VIII. DIRECTOR'S REPORTS

Items annotated by an asterisk (*) are approved by consent and require no discussion or action unless questioned by a Director (in accordance with resolution passed by Directors on March 19, 2002).



I. **DULUTH AIRPORT AUTHORITY**

DATE: February 20, 2024
TO: Duluth Airport Authority Board of Directors
FROM: Executive Director
SUBJECT: Executive Director's Review

The following items will be discussed during the Executive Director's Review. If action is required of the DAA on any of these items, they will also appear on the agenda. If you have questions or desire additional information, please contact me and I will provide it at the DAA meeting.

AIR SERVICE

- Passenger statistics will be presented at the meeting.
- Renewed Business Case for Denver Service
- DL Up-Gauging aircraft in Support of Great Lakes Cruising

OPERATIONS/CONSTRUCTION/PLANNING

- Planning:
 - New Air Traffic Control Tower (ATCT) Update
 - Construction Manager at Risk RFP Update
- Construction:
- Operations and Maintenance:
- Sky Harbor:
 - New Sky Harbor Airport Terminal Update
 - New Snow Removal Equipment Building Update

BUSINESS/PROPERTY DEVELOPMENT

- Ranch Hangar Construction Progress
- NBDA Development RFP Update
- Hydrosolutions of Duluth Termination Notice

FINANCIAL UPDATE

- City of Duluth Property Insurance Renewal Update
- Audit Preparation
- Parking System Update
- Storm Water Charges Update
- Title VI Plan

MARKETING/COMMUNICATIONS

- Sky Harbor Naming Proposal Update
- Sun Country Relaunch Giveaway
- Duluth and St. Louis County at the Capitol Days
- UnWINEd Returning to Airport



LEGISLATIVE UPDATE

- PFAS Transition Advocacy
- FAA Reauthorization in Congress

PRESENTATIONS/TOURS/TRAVEL RECAP

- ACI's Air Service Development Conference
- AAAE's Great Lake's Chapter Winter Board Meeting
- Cloquet High School Marketing and Tourism Class Presentation

OTHER

- City of Duluth Approval of Property and Sponsorship Transfer Update
- Monaco Air Duluth Update- Don Monaco

Submitted by,

Tom Werner, A.A.E.
Executive Director



II.

DULUTH AIRPORT AUTHORITY

Duluth Airport Authority

Meeting Minutes

January 16, 2024

MEETING LOCATION: Amatuzio Conference Room, Duluth International Airport

DIRECTORS PRESENT: Kim Maki
Kevin O'Brien
Elissa Hansen
Dan Markham
Jason Crawford

DIRECTORS ABSENT: Jeff Anderson
Michael Henderson

OTHERS PRESENT: Tom Werner, DAA Executive Director
Mark Papko, DAA Dir. of Operations
Jana Kayser, DAA Dir. of Business Development
Joelle Bodin, DAA Dir. of Finance and Administration
Natalie Baker, DAA Dir. of Marketing and Communications
Jenny Delnay, DAA Administrative Coordinator
Shawn McMahon, SEH
Mike Magni, Monaco Air Duluth

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:

Kathy Leon, DAA Confidential Bookkeeper
Robb Enslin, Duluth City Attorney
Dante Tomassoni, Cirrus
James Gibson, Cirrus
Horeya Czaplewski, EXP
Paul Huston, HNTB
Don Monaco, Monaco Air Duluth
Matthew Stewart, SEH
Scott Sannes, SEH

CALL TO ORDER: Dir. Maki called the DAA board meeting to order at 8:00 a.m. Dir. Maki noted that Dirs. Maki, O'Brien, Markham and Crawford are in attendance which meets a quorum.

Dir. Maki invited Mr. Tom Werner to provide the Executive Director's Review

I. *EXECUTIVE DIRECTOR'S REVIEW

- A. **Air Service:** Mr. Werner provided an update on the current air service with a presentation.
- Mr. Werner presented the year-end numbers. 2023 finished slightly stronger than 2022 as predicted. Delta is still dominating the market, but there is growth expected from United moving forward.



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- Mr. Werner noted that, post-pandemic, there has been a shift to longer trips that are a mix of business and leisure, especially with remote work. European destinations are popular. He noted that DAA advertising focuses on a mix of business and leisure.
- Dir. Maki asked for an update on Sun Country bookings.
 - Ms. Baker shared that the beginning of February is still a little light, but bookings are up towards the end of the month, which is a similar trend to last year.
 - Mr. Werner noted that this route will need to out-perform last year to return. He has asked Ms. Baker and Giant Voices to increase our messaging to hopefully increase bookings.
- Dir. Hansen arrived at 8:03 a.m.

B. **Operations/Construction/Planning:** Mr. Papko provided the following updates:

- **New Air Traffic Control Tower (ATCT) Update:** Mr. Papko stated that design is well underway and moving at a good pace. A public bid for the RFP for a Construction Manager at Risk (CMAR) was issued in early January. The Pre-Bid meeting is scheduled for tomorrow. There have been good responses, with about 10 firms interested in the pre-bid meeting.
 - The pre-bid meeting will have a presentation about DAA (what we're doing, constraints around the project), a technical presentation from EXP/SEH, site/room layout plans and possibly a tour of the site.
 - RFP closes in early February. Interviews will be conducted with the top three bids before selecting a CMAR. This may be presented to the Board at the February meeting or may need to have a special meeting between the February and March meetings to help with the pace of construction.
 - Mr. Papko shared the current designs that will also be presented at the CMAR pre-bid meeting tomorrow.
- **Sky Harbor:** The terminal has walls, a roof and windows in. Concrete has not yet been poured, since the construction manager wanted to wait until the building was roughed in and heated for a better outcome. Still on track for late April or early May completion. Furniture is being ordered now based on lead times.
 - **Snow Removal Equipment Building:** This project is still on hold over the winter. Construction is expected to pick up in March or April based on the weather.

C. **Business/Property Development:** Ms. Kayser provided an update on the following:

- The Ranch Hangar project continues well. Ms. Kayser shared photos of the construction site. They are now estimating a January 29th completion date, which is earlier than the end of February initially estimated. Ms. Kayser is still advertising the March 1st move in date, although there is a possibility it would be sooner.
 - Ms. Kayser noted that there was much more interest from current tenants than expected in these new hangars. There are 4 tenants who are interested in moving. There are currently about 40 people on the waiting list for hangar space, 15 of which are only interested in a ranch hangar. There is one GA tenant who is not renewing their lease for 2024.
- The Minnesota Power project continues with working on cultural/historical research.

D. **Financial Update:** Ms. Bodin provided an update on the following:

- **Earned Sick and Safe Time (ESST) Update:** This needed to be implemented by January 1, 2024, and the final details were worked out in the last weeks of December. This is



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being implemented as it is written in the new statutes. There was some initial concern from AFSCME, however with additional communication it was worked out.

- Dir. O'Brien asked if this was in addition to or a replacement of current sick time offered.
 - Ms. Bodin clarified that it is in addition. There are more limitations on the existing sick time than the ESST, plus there are some long-standing employees with large sick banks, which would have been complicated to combine. The reporting requirements are also different from our current sick time and the ESST. If it were combined, there would have been more potential conflict with the union.

E. **Marketing/Communications:** Ms. Baker provided an update on the following:

- Duluth and St. Louis County Days: The DAA will be present at Capital for this event, including participating in the lobbying event during the day and a booth at the reception. Ms. Baker shared that planning for the booth is nearly complete.
- Sun Country Launch Event: Ms. Baker is also working on a promotion of fly local to ensure this route comes back next year.

F. **Legislative Update:** Mr. Werner provided an update on the following:

- Mr. Werner stated that he is preparing for a big push at the state legislature for the \$14 million bond ask, but there is nothing new to report currently.

G. **Presentations/Tours/Travel Recap:**

- NSR

H. **Other:** Mr. Werner provided an update on the following:

- City of Duluth Approval of Property and Sponsorship Transfer Update: Mr. Werner shared that with the change of leadership at the City, there was no update. He is giving the new City Administration a few weeks before pursuing this again.
- Special Meetings: Mr. Werner noted that since the building of the terminal there has not been a need for frequent special meetings. However, with the construction timeline of the ATCT, there may not be time to wait for normal monthly meetings. There is a chance that there will be more special meeting requests as this project continues, as noted with the CMAR process earlier.
 - Dir. O'Brien asked if there was a minimum time requirement for notification.
 - Mr. Werner confirmed there is as laid out in our bylaws. He also noted the need to be rigid that what is on the agenda is the only thing discussed.
 - Dir. O'Brien asked if everyone can be virtual for these special meetings.
 - Mr. Werner will look into those requirements.

- Dir. Maki thanked everyone for their reviews and moved to item II of the agenda.

II. ***APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS AS INDICATED BY *:**

A. Approval of December 19, 2023 Meeting Minutes

- Motion: Dir. Hansen
- Second: Dir. Markham
- Abstain: None
 - Result: This resolution was adopted unanimously



III. *DAA CASH DISBURSEMENTS

- A. Operating Check Register Sheets #34 of 2023 and #1 of 2024; Operating ACH Payment Register #39-40 of 2023 and #1 of 2024; Construction ACH Register #12 of 2023.

IV. *CORRESPONDENCE

- A. DLH Construction Newsletter:
- Dated December 22, 2023.
- B. DYT Construction Newsletter:
- Dated December 21, 2023.
- C. December 21, 2023: Duluth International Airport Ready for Christmas Travelers. Fox21.
- D. December 23, 2023: Flight cancellations impacting travelers out of Duluth Saturday. Northern News Now.
- E. December 23, 2023: Thick fog caused flight cancellations at Duluth International Airport. WDIO.
- F. December 31, 2023: December 2023 Monaco Air Foundation Report.
- G. January 5, 2024: Letter of support for RAISE Grant Funding Application for Rice Lake Rd Corridor Project.
- H. January 8, 2024: Letter to Senate Committee on Commerce, Science, and Transportation to raise pilot retirement age.
- I. January 8, 2024: Airlines Signal Change in Post-Pandemic Travel Patterns. Blue Sky PIT News.
- J. January 8, 2024: Crews work hard so flights from Duluth International Airport stay on time. Northern News Now.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

- A. None.

VI. OLD BUSINESS

- A. None.

VII. NEW BUSINESS

- A. Resolution to Approve the Duluth Airport Authority's Nomination for the Board of Adjustment of the Duluth International Airport Joint Airport Zoning Board.
- Mr. Werner stated The Joint Zoning Board has a separate body, the Board of Adjustment, which would consider accommodations outside of normal zoning requirements, such as for the new Tower building. The late Ken Bulter was previously representing the DAA. This does not need to necessarily be a board member, although it can help with continuity of requests. Kim Maki is willing to serve on this board for a three-year term, even after her time as President is complete.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Hansen
 - Abstain: None
 - Result: This resolution was adopted unanimously.
 - Dir. Hansen asked if the zoning ordinance is for commercial building heights.



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- Mr. Werner clarified that it is for all building heights in the affected area, but per FAA this is the only spot the Tower can be located.

- B. Resolution to Approve the Updated 2024 Rates and Charges Addendum for DLH to Include the New Ranch Hangars at 4825 Airport Road.
 - Ms. Bodin stated that the current Rates and Charges were approved in November, and these will add the new Ranch Hangar Rates as occupancy is as soon as February. The new rates will be \$675 for 12' doors and \$700 for 14' doors plus taxes and utilities.
 - Dir. Maki asked how the DAA arrived at these numbers.
 - Ms. Bodin noted that Ms. Kayser researched based on the cost of the building so that the DAA's costs could be recouped in 5 years.
 - Ms. Kayser also elaborated that they also compared rates with Monaco's condominium spaces and Bemidji's numbers with the understanding that neither is perfect comparison.
 - Dir. Maki asked if there was any feedback from potential tenants.
 - Ms. Kayser shared that some complained it was too much, but many more had positive feedback. They are looking for a nicer product and willing to pay more.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. Markham
 - Abstain: None
 - Result: This resolution was adopted unanimously.

- C. *November 2023 Financial Reports
- D. *January 2023 Accounts Receivable
- E. *December 2023 Airline Statistics

VIII. DIRECTOR'S REPORTS

- A. None

ADJOURN: The meeting was adjourned at 8:32 a.m.

Respectfully submitted,

Jenny Delnay
Administrative Coordinator

Tom
Werner

Digitally signed by
Tom Werner
Date: 2024.01.18
12:37:42 -06'00'

Approved: _____

DAA Executive Director

**Duluth Airport Authority
DAA Operating Check Register #2-2024
January 17, 2024**

Document Number From 12039 through 12044

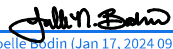
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12039	1/17/2024	BILLPMT	Baker, Natalie	\$60.00
12040	1/17/2024	BILLPMT	City Of Duluth Comfort Systems	\$19,056.10
12041	1/17/2024	BILLPMT	City Of Duluth, Minnesota	\$71.40
12042	1/17/2024	BILLPMT	Essentia Health	\$35.00
12043	1/17/2024	BILLPMT	Minnesota Power	\$38,059.25
12044	1/17/2024	BILLPMT	Taylor, Dan	\$60.00
Total				\$57,341.75



Airport Director



City Treasury


Joelle Bodin (Jan 17, 2024 09:56 CST)


Finance Director

Tom Werner

Executive Director


Kim Maki (Jan 18, 2024 08:27 CST)

Board President


Jos Bailey (Jan 18, 2024 08:37 CST)

City Treasury












Operating Check Register #2-2024


Final Audit Report

2024-01-18


Created:	2024-01-17
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAANSx1IYrKMq1gC0zAnX84vW6R00mS7PuZ

"Operating Check Register #2-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)
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-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-01-17 - 1:19:05 PM GMT
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-01-17 - 3:56:04 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-01-17 - 3:56:20 PM GMT - Time Source: server- IP address: 205.149.151.193
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-01-17 - 3:56:21 PM GMT
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-01-18 - 1:33:53 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-01-18 - 1:34:01 PM GMT - Time Source: server- IP address: 205.149.151.193
-  Document emailed to makik@stlouiscountymn.gov for signature
2024-01-18 - 1:34:02 PM GMT
-  Email viewed by makik@stlouiscountymn.gov
2024-01-18 - 2:26:47 PM GMT- IP address: 207.171.103.126
-  Signer makik@stlouiscountymn.gov entered name at signing as Kim Maki
2024-01-18 - 2:27:09 PM GMT- IP address: 207.171.103.126
-  Document e-signed by Kim Maki (makik@stlouiscountymn.gov)
Signature Date: 2024-01-18 - 2:27:11 PM GMT - Time Source: server- IP address: 207.171.103.126

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Signature Date: 2024-01-18 - 2:37:11 PM GMT - Time Source: server- IP address: 156.99.162.253

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Duluth Airport Authority
DAA Operating Check Register #3-2024
February 2, 2024

Document Number From 12045 through 12054

Document Number	Date	Transaction Type	Payee	Amount
12045	2/2/2024	BILLPMT	AT&T Mobility	\$323.30
12046	2/2/2024	CHK	Citi Cards	\$408.41
12047	2/2/2024	BILLPMT	Curtis Oil & Propane	\$602.60
12048	2/2/2024	BILLPMT	Minnesota Life	\$67.46
12049	2/2/2024	BILLPMT	Minnesota Power	\$647.23
12050	2/2/2024	BILLPMT	NAPA Auto Parts	\$66.40
12051	2/2/2024	BILLPMT	Nextera Communications	\$1,241.06
12052	2/2/2024	BILLPMT	Superior Chamber of Commerce	\$398.00
12053	2/2/2024	BILLPMT	United Truck Body Company, Inc.	\$1,414.11
12054	2/2/2024	CHK	WF Bus Payment Processing - Tom	\$223.83
Total				\$5,392.40



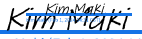
 Airport Director


 Joelle Bodin (Feb 1, 2024 16:40 CST)

 Finance Director

Tom Werner

 Executive Director


 Kim Maki (Feb 1, 2024 14:31 CST)

 Board President


 Jos Bailey (Feb 1, 2024 15:46 CST)

 City Treasury












Operating Check Register #3-2024

Final Audit Report

2024-02-01

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By:	Kathy Leon (kleon@duluthairport.com)
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"Operating Check Register #3-2024" History

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-  Signer makik@stlouiscountymn.gov entered name at signing as Kim Maki
2024-02-01 - 8:31:35 PM GMT- IP address: 207.171.103.126
-  Document e-signed by Kim Maki (makik@stlouiscountymn.gov)
Signature Date: 2024-02-01 - 8:31:37 PM GMT - Time Source: server- IP address: 207.171.103.126
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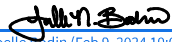
DAA Operating Check Register #4-2024 February 12, 2024

Document Number From 12055 through 12060

Document Number	Date	Transaction Type	Payee	Amount
12055	2/12/2024	BILLPMT	AT&T Mobility	\$273.40
12056	2/12/2024	BILLPMT	City Of Duluth Comfort Systems	\$26,793.42
12057	2/12/2024	BILLPMT	Minnesota Power	\$44,965.71
12058	2/12/2024	BILLPMT	NAPA Auto Parts	\$165.84
12059	2/12/2024	BILLPMT	Superior Chamber of Commerce	\$398.00
12060	2/12/2024	BILLPMT	U.S. Customs and Border Protection	\$27,126.28
Sub-Total				\$99,722.65
VOID Check #12048				-67.46
Total				\$99,655.19




Airport Director




Joelle Bodin (Feb 9, 2024 10:06 CST)
Finance Director

Tom Werner

Executive Director



Kim Maki (Feb 9, 2024 10:34 CST)
Board President



Jos Bailey (Feb 9, 2024 09:20 CST)
City Treasury












Operating Check Register #4-2024


Final Audit Report


2024-02-09


Created:	2024-02-09
By:	Kathy Leon (kleon@duluthairport.com)
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-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-02-09 - 4:06:08 PM GMT - Time Source: server- IP address: 205.149.151.193
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-02-09 - 4:20:06 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-02-09 - 4:20:26 PM GMT - Time Source: server- IP address: 205.149.151.193

 Email viewed by makik@stlouiscountymn.gov
2024-02-09 - 4:34:07 PM GMT- IP address: 207.171.103.126

 Signer makik@stlouiscountymn.gov entered name at signing as Kim Maki
2024-02-09 - 4:34:23 PM GMT- IP address: 207.171.103.126

 Document e-signed by Kim Maki (makik@stlouiscountymn.gov)
Signature Date: 2024-02-09 - 4:34:25 PM GMT - Time Source: server- IP address: 207.171.103.126

 Agreement completed.
2024-02-09 - 4:34:25 PM GMT

DAA Operating ACH Payment Register #2-2024
January 19, 2024

Confirmation #0180345

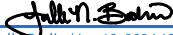
Document Number	Date	Transaction Type	Payee	Amount
00000113/1	1/19/2024	BILLPMT	Benson Electric Company	\$6,296.18
00000113/10	1/19/2024	BILLPMT	Crysteel Truck Equipment	\$40,000.00
00000113/11	1/19/2024	BILLPMT	Durfee, Tristan	\$60.00
00000113/12	1/19/2024	BILLPMT	Graves, John	\$60.00
00000113/13	1/19/2024	BILLPMT	Ironwood Studio LLC	\$35.00
00000113/14	1/19/2024	BILLPMT	Jamar Company	\$4,902.00
00000113/15	1/19/2024	BILLPMT	Jamar Company	\$4,283.00
00000113/16	1/19/2024	BILLPMT	Jamar Company	\$4,775.00
00000113/17	1/19/2024	BILLPMT	Jamar Company	\$7,675.00
00000113/18	1/19/2024	BILLPMT	Johnson Controls	\$1,073.00
00000113/19	1/19/2024	BILLPMT	Kayser, Jana	\$60.00
00000113/2	1/19/2024	BILLPMT	Benson Electric Company	\$1,784.23
00000113/20	1/19/2024	BILLPMT	Kleen-Tech	\$21,621.00
00000113/21	1/19/2024	BILLPMT	Leon, Kathy	\$60.00
00000113/22	1/19/2024	BILLPMT	Menards - Hermantown	\$55.93
00000113/23	1/19/2024	BILLPMT	Menards - West Duluth	\$46.36
00000113/24	1/19/2024	BILLPMT	Metro Sales, Inc.	\$54.25
00000113/25	1/19/2024	BILLPMT	Northern Engine & Supply	\$30.40
00000113/26	1/19/2024	BILLPMT	Northern Engine & Supply	\$347.70
00000113/27	1/19/2024	BILLPMT	Oakwells CR LLC	\$160.48
00000113/28	1/19/2024	BILLPMT	Oakwells CR LLC	\$3.00
00000113/29	1/19/2024	BILLPMT	Papko, Mark	\$60.00
00000113/3	1/19/2024	BILLPMT	Bodin, Joelle	\$60.00
00000113/30	1/19/2024	BILLPMT	Peterson Excavating & Landscaping	\$15,777.13
00000113/31	1/19/2024	BILLPMT	Pomp's Tire Service, Inc.	\$529.69
00000113/32	1/19/2024	BILLPMT	Schindler Elevator Corp	\$1,397.83
00000113/33	1/19/2024	BILLPMT	Short Elliott Hendrickson Inc.	\$4,000.00
00000113/34	1/19/2024	BILLPMT	Sinnott, Paul	\$60.00
00000113/35	1/19/2024	BILLPMT	Snell, Matthew J	\$60.00
00000113/36	1/19/2024	BILLPMT	Spectrum Business	\$177.16
00000113/37	1/19/2024	BILLPMT	Tibodeau, Justin	\$300.00
00000113/38	1/19/2024	BILLPMT	Twin Ports Paper Supply, Inc	\$642.97
00000113/39	1/19/2024	BILLPMT	Twin Ports Paper Supply, Inc	\$489.02
00000113/4	1/19/2024	BILLPMT	Border States	\$590.64
00000113/40	1/19/2024	BILLPMT	Waste Management of WI-MN	\$264.00
00000113/41	1/19/2024	BILLPMT	Waste Management of WI-MN	\$1,965.24
00000113/42	1/19/2024	BILLPMT	Waste Management of WI-MN	\$251.77
00000113/43	1/19/2024	BILLPMT	Waste Management of WI-MN	\$99.24
00000113/44	1/19/2024	BILLPMT	Welch, Ryan	\$60.00
00000113/45	1/19/2024	BILLPMT	Werner, Thomas	\$60.00
00000113/46	1/19/2024	BILLPMT	Ziegler, Inc.	\$396.87
00000113/5	1/19/2024	BILLPMT	Border States	\$590.64
00000113/6	1/19/2024	BILLPMT	Century Link	\$72.00
00000113/7	1/19/2024	BILLPMT	Century Link	\$72.00
00000113/8	1/19/2024	BILLPMT	Citon	\$1,987.00
00000113/9	1/19/2024	BILLPMT	Citon	\$223.34
			Total	<u>\$123,569.07</u>



Airport Director



City Treasury



Joelle Bodin (Jan 19, 2024 12:02 CST)

Finance Director

Tom Werner

Executive Director



Kim Maki (Jan 22, 2024 12:36 CST)

Board President



Jos Bailey (Jan 22, 2024 13:10 CST)

City Treasury












Operating ACH Payment Register #2-2024


Final Audit Report

2024-01-22

Created:	2024-01-18
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAb1Jt4lyLlfezcz_dYYnGSAhGbwZ1wA5B

"Operating ACH Payment Register #2-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)
2024-01-18 - 9:09:31 PM GMT- IP address: 205.149.151.193
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-01-18 - 9:17:17 PM GMT
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-01-19 - 6:01:43 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-01-19 - 6:02:35 PM GMT - Time Source: server- IP address: 205.149.151.193
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-01-19 - 6:02:36 PM GMT
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-01-19 - 6:06:52 PM GMT- IP address: 174.229.179.209
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-01-19 - 6:07:13 PM GMT - Time Source: server- IP address: 174.229.179.209
-  Document emailed to makik@stlouiscountymn.gov for signature
2024-01-19 - 6:07:14 PM GMT
-  Email viewed by makik@stlouiscountymn.gov
2024-01-22 - 6:36:13 PM GMT- IP address: 207.171.103.126
-  Signer makik@stlouiscountymn.gov entered name at signing as Kim Maki
2024-01-22 - 6:36:31 PM GMT- IP address: 207.171.103.126
-  Document e-signed by Kim Maki (makik@stlouiscountymn.gov)
Signature Date: 2024-01-22 - 6:36:33 PM GMT - Time Source: server- IP address: 207.171.103.126

 Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature

2024-01-22 - 6:36:34 PM GMT

 Email viewed by Josh Bailey (jbailey@duluthmn.gov)

2024-01-22 - 7:09:57 PM GMT- IP address: 156.99.162.253

 Document e-signed by Josh Bailey (jbailey@duluthmn.gov)

Signature Date: 2024-01-22 - 7:10:07 PM GMT - Time Source: server- IP address: 156.99.162.253

 Agreement completed.

2024-01-22 - 7:10:07 PM GMT


**DAA Operating ACH Payment Register #3-2024
February 2, 2024**

Confirmation #0320342

Document Number	Date	Transaction Type	Payee	Amount
00000115/1	2/2/2024	BILLPMT	1 Giant Voices LLC	\$12,428.15
00000115/10	2/2/2024	BILLPMT	Citon	\$249.61
00000115/11	2/2/2024	BILLPMT	Citon	\$7,376.80
00000115/12	2/2/2024	BILLPMT	Citon	\$1,060.00
00000115/13	2/2/2024	BILLPMT	Citon	\$734.67
00000115/14	2/2/2024	BILLPMT	General Security Services Corporation	\$1,882.94
00000115/15	2/2/2024	BILLPMT	General Security Services Corporation	\$26,340.29
00000115/16	2/2/2024	BILLPMT	Giant Voices LLC	\$8,796.25
00000115/17	2/2/2024	BILLPMT	Grainger, Inc.	\$152.11
00000115/18	2/2/2024	BILLPMT	Grand Rapids Area Chamber of Commerce	\$696.00
00000115/19	2/2/2024	BILLPMT	Grand Rapids Area Chamber of Commerce	\$150.00
00000115/2	2/2/2024	BILLPMT	Benson Electric Company	\$548.18
00000115/20	2/2/2024	BILLPMT	Jamar Company	\$507.50
00000115/21	2/2/2024	BILLPMT	Metro Sales, Inc.	\$279.90
00000115/22	2/2/2024	BILLPMT	Paul Bunyan Communications	\$3,460.00
00000115/23	2/2/2024	BILLPMT	Snell, Matthew J	\$267.95
00000115/24	2/2/2024	BILLPMT	Twin Ports Paper Supply, Inc	\$626.43
00000115/3	2/2/2024	BILLPMT	Citon	\$1,060.00
00000115/4	2/2/2024	BILLPMT	Citon	\$734.67
00000115/5	2/2/2024	BILLPMT	Citon	\$1,060.00
00000115/6	2/2/2024	BILLPMT	Citon	\$7,385.80
00000115/7	2/2/2024	BILLPMT	Citon	\$734.67
00000115/8	2/2/2024	BILLPMT	Citon	\$170.52
00000115/9	2/2/2024	BILLPMT	Citon	\$7,376.80
Total				\$84,079.24



Airport Director




Joelle Bodin (Feb 1, 2024 13:51 CST)
Finance Director

Tom Werner

Executive Director

Kim Maki

Kim Maki (Feb 1, 2024 14:30 CST)
Board President



Jos Bailey (Feb 1, 2024 13:53 CST)
City Treasury












Operating ACH Payment Register #3-2024

Final Audit Report


2024-02-01


Created:	2024-02-01
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAANKBUpuntrMFZ3WAAwaphq3YaCELaO2f


"Operating ACH Payment Register #3-2024" History

-  Document created by Kathy Leon (kleon@duluthairport.com)
2024-02-01 - 7:46:05 PM GMT- IP address: 205.149.151.193
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-02-01 - 7:46:08 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-02-01 - 7:46:08 PM GMT
-  Document emailed to makik@stlouiscountymn.gov for signature
2024-02-01 - 7:46:08 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-02-01 - 7:46:08 PM GMT
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-02-01 - 7:48:46 PM GMT- IP address: 156.99.162.253
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-02-01 - 7:50:57 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-02-01 - 7:51:06 PM GMT - Time Source: server- IP address: 205.149.151.193
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)
Signature Date: 2024-02-01 - 7:53:28 PM GMT - Time Source: server- IP address: 156.99.162.253
-  Email viewed by makik@stlouiscountymn.gov
2024-02-01 - 8:29:44 PM GMT- IP address: 207.171.103.126
-  Signer makik@stlouiscountymn.gov entered name at signing as Kim Maki
2024-02-01 - 8:30:05 PM GMT- IP address: 207.171.103.126

 Document e-signed by Kim Maki (makik@stlouiscountymn.gov)
Signature Date: 2024-02-01 - 8:30:07 PM GMT - Time Source: server- IP address: 207.171.103.126

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2024-02-01 - 8:48:40 PM GMT- IP address: 174.194.11.91

 Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-02-01 - 8:49:15 PM GMT - Time Source: server- IP address: 174.194.11.91

 Agreement completed.
2024-02-01 - 8:49:15 PM GMT


DAA Operating ACH Payment Register #4-2024 February 12, 2024

Confirmation #0400045

Document Number	Date	Transaction Type	Payee	Amount
00000117/1	2/12/2024	BILLPMT	1 MediaUSA Advertising Inc	\$1,115.00
00000117/10	2/12/2024	BILLPMT	Inter City Oil (ICO)	\$16,197.84
00000117/11	2/12/2024	BILLPMT	Jamar Company	\$1,296.45
00000117/12	2/12/2024	BILLPMT	Menards - Hermantown	\$23.78
00000117/13	2/12/2024	BILLPMT	Menards - Hermantown	\$160.29
00000117/14	2/12/2024	BILLPMT	Menards - Hermantown	\$313.08
00000117/15	2/12/2024	BILLPMT	Menards - Hermantown	\$22.56
00000117/16	2/12/2024	BILLPMT	Menards - Hermantown	\$58.96
00000117/17	2/12/2024	BILLPMT	Menards - West Duluth	\$75.87
00000117/18	2/12/2024	BILLPMT	Mike's Signs	\$30.00
00000117/19	2/12/2024	BILLPMT	Northern States Supply, Inc.	\$417.94
00000117/2	2/12/2024	BILLPMT	Acme Tools	\$113.99
00000117/20	2/12/2024	BILLPMT	Oakwells CR LLC	\$160.48
00000117/21	2/12/2024	BILLPMT	Oakwells CR LLC	\$10.05
00000117/22	2/12/2024	BILLPMT	Pomp's Tire Service, Inc.	\$6,634.04
00000117/23	2/12/2024	BILLPMT	Schindler Elevator Corp	\$1,397.83
00000117/24	2/12/2024	BILLPMT	Schindler Elevator Corp	\$1,397.83
00000117/25	2/12/2024	BILLPMT	Short Elliott Hendrickson Inc.	\$2,000.00
00000117/26	2/12/2024	BILLPMT	TKDA	\$2,679.43
00000117/27	2/12/2024	BILLPMT	Venberg, Cole	\$247.91
00000117/28	2/12/2024	BILLPMT	Welch, Ryan	\$71.38
00000117/29	2/12/2024	BILLPMT	Ziegler, Inc.	\$322.85
00000117/3	2/12/2024	BILLPMT	Batteries Plus	\$25.19
00000117/30	2/12/2024	BILLPMT	Ziegler, Inc.	\$289.78
00000117/4	2/12/2024	BILLPMT	Best Oil Company	\$5,101.78
00000117/5	2/12/2024	BILLPMT	Cryotech	\$25,895.17
00000117/6	2/12/2024	BILLPMT	Cryotech	\$10,505.53
00000117/7	2/12/2024	BILLPMT	Cummins Inc.	\$315.80
00000117/8	2/12/2024	BILLPMT	Decomm Ventures, LP	\$750.00
00000117/9	2/12/2024	BILLPMT	Grainger, Inc.	\$453.84
Total				\$78,084.65



 Airport Director


 Joelle Bodin (Feb 9, 2024 10:06 CST)

 Finance Director

Tom Werner

 Executive Director

Kim Maki

Kim Maki (Feb 9, 2024 10:33 CST)

Board President

J. Bailey

Jos Bailey (Feb 9, 2024 09:20 CST)

City Treasury












Operating ACH Payment Register #4-2024


Final Audit Report


2024-02-09


Created:	2024-02-09
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAABAAK2u2zjrFxuPh89I9UfMLUhFSTXSo13cP


"Operating ACH Payment Register #4-2024" History

-  Document created by Kathy Leon (kleon@duluthairport.com)
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-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-02-09 - 3:10:53 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-02-09 - 3:10:53 PM GMT
-  Document emailed to makik@stlouiscountymn.gov for signature
2024-02-09 - 3:10:54 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-02-09 - 3:10:54 PM GMT
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-02-09 - 3:20:47 PM GMT- IP address: 156.99.162.253
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)
Signature Date: 2024-02-09 - 3:20:55 PM GMT - Time Source: server- IP address: 156.99.162.253
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-02-09 - 4:06:33 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-02-09 - 4:06:57 PM GMT - Time Source: server- IP address: 205.149.151.193
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-02-09 - 4:20:52 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-02-09 - 4:21:06 PM GMT - Time Source: server- IP address: 205.149.151.193

 Email viewed by makik@stlouiscountymn.gov
2024-02-09 - 4:33:21 PM GMT- IP address: 207.171.103.126

 Signer makik@stlouiscountymn.gov entered name at signing as Kim Maki
2024-02-09 - 4:33:55 PM GMT- IP address: 207.171.103.126

 Document e-signed by Kim Maki (makik@stlouiscountymn.gov)
Signature Date: 2024-02-09 - 4:33:57 PM GMT - Time Source: server- IP address: 207.171.103.126

 Agreement completed.
2024-02-09 - 4:33:57 PM GMT


Duluth Airport Authority
DAA Construction ACH Payment Register #1-2024
January 17, 2024

Confirmation #0160301

Document Number	Date	Transaction Type	Payee	Amount
00000112/1	1/17/2024	BILLPMT	1 A. G. O'Brien Plumbing & Heating	\$861.00
00000112/10	1/17/2024	BILLPMT	1 MediaUSA Advertising Inc	\$1,115.00
00000112/11	1/17/2024	BILLPMT	1 Northland Constructors of Duluth	\$267,520.00
00000112/12	1/17/2024	BILLPMT	1 Radotich, Inc.	\$267,780.10
00000112/13	1/17/2024	BILLPMT	1 Radotich, Inc.	\$35,801.71
00000112/14	1/17/2024	BILLPMT	1 Radotich, Inc.	\$213,446.00
00000112/15	1/17/2024	BILLPMT	1 Short Elliott Hendrickson	\$22,325.00
00000112/16	1/17/2024	BILLPMT	1 Short Elliott Hendrickson	\$17,370.00
00000112/17	1/17/2024	BILLPMT	1 Short Elliott Hendrickson	\$25,100.00
00000112/18	1/17/2024	BILLPMT	1 Short Elliott Hendrickson	\$7,730.00
00000112/19	1/17/2024	BILLPMT	1 Short Elliott Hendrickson	\$9,860.00
00000112/2	1/17/2024	BILLPMT	1 A. G. O'Brien Plumbing & Heating	\$2,281.90
00000112/20	1/17/2024	BILLPMT	1 Short Elliott Hendrickson	\$5,890.00
00000112/21	1/17/2024	BILLPMT	1 Short Elliott Hendrickson	\$97,050.00
00000112/22	1/17/2024	BILLPMT	1 Short Elliott Hendrickson	\$13,225.00
00000112/23	1/17/2024	BILLPMT	1 Short Elliott Hendrickson	\$5,855.00
00000112/24	1/17/2024	BILLPMT	1 Short Elliott Hendrickson	\$12,058.00
00000112/25	1/17/2024	BILLPMT	1 Tom Kraemer, Inc.	\$421.13
00000112/26	1/17/2024	BILLPMT	1 Tom Kraemer, Inc.	\$105.00
00000112/27	1/17/2024	BILLPMT	1 Ulland Brothers, Inc.	\$44,451.40
00000112/28	1/17/2024	BILLPMT	1 Ulland Brothers, Inc.	\$279,019.75
00000112/29	1/17/2024	BILLPMT	1 Ulland Brothers, Inc.	\$88,192.30
00000112/3	1/17/2024	BILLPMT	1 A. G. O'Brien Plumbing & Heating	\$19,507.30
00000112/30	1/17/2024	BILLPMT	1 Ulland Brothers, Inc.	\$12,698.36
00000112/31	1/17/2024	BILLPMT	1 WSB, LLC	\$8,151.12
00000112/4	1/17/2024	BILLPMT	1 Duluth Electrical Contracting, Inc.	\$14,350.00
00000112/5	1/17/2024	BILLPMT	1 Duluth Electrical Contracting, Inc.	\$16,055.00
00000112/6	1/17/2024	BILLPMT	1 Duluth Electrical Contracting, Inc.	\$6,880.85
00000112/7	1/17/2024	BILLPMT	1 Duluth Electrical Contracting, Inc.	\$4,750.00
00000112/8	1/17/2024	BILLPMT	1 Kraus Anderson Construction Co	\$11,106.11
00000112/9	1/17/2024	BILLPMT	1 Kraus Anderson Construction Co	\$27,217.57

Total **\$1,538,174.60**


 Airport Director


 City Treasury


 Joelle Bodin (Jan 17, 2024 13:54 CST)


Finance Director

Tom Werner

Executive Director


 Kim Maki (Jan 18, 2024 08:26 CST)

Board President


 Jos Bailey (Jan 19, 2024 08:25 CST)

City Treasury












Construction ACH Payment Register #1-2024


Final Audit Report

2024-01-18

Created:	2024-01-17
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAATjraurXHsQhaalrIxgiOdvefNWz-Rflu

"Construction ACH Payment Register #1-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)
2024-01-17 - 1:21:21 PM GMT- IP address: 205.149.151.193
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-01-17 - 1:22:37 PM GMT
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-01-17 - 7:53:57 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-01-17 - 7:54:13 PM GMT - Time Source: server- IP address: 205.149.151.193
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-01-17 - 7:54:14 PM GMT
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-01-18 - 1:29:01 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-01-18 - 1:29:10 PM GMT - Time Source: server- IP address: 205.149.151.193
-  Document emailed to makik@stlouiscountymn.gov for signature
2024-01-18 - 1:29:11 PM GMT
-  Email viewed by makik@stlouiscountymn.gov
2024-01-18 - 2:25:45 PM GMT- IP address: 207.171.103.126
-  Signer makik@stlouiscountymn.gov entered name at signing as Kim Maki
2024-01-18 - 2:26:14 PM GMT- IP address: 207.171.103.126
-  Document e-signed by Kim Maki (makik@stlouiscountymn.gov)
Signature Date: 2024-01-18 - 2:26:16 PM GMT - Time Source: server- IP address: 207.171.103.126

 Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature

2024-01-18 - 2:26:17 PM GMT

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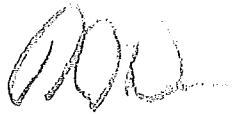
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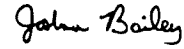
**Duluth Airport Authority
DAA Construction ACH Payment Register #2-2024
February 1, 2024**

Confirmation #0310049

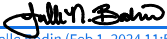
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00000114/2	2/1/2024	BILLPMT	1 Macqueen Equipment	\$142,780.00
00000114/3	2/1/2024	BILLPMT	1 Shafer Contracting Co., Inc.	\$527,733.17
00000114/4	2/1/2024	BILLPMT	1 Short Elliott Hendrickson	\$3,374.40
Total				\$1,436,956.77



Airport Director



City Treasury



Joelle Bodin (Feb 1, 2024 11:56 CST)

Finance Director



Executive Director



Kim Maki (Feb 1, 2024 12:22 CST)

Board President



John Bailey (Feb 1, 2024 12:00 CST)

City Treasury












Construction ACH Payment Register #2-2024


Final Audit Report


2024-02-01


Created:	2024-02-01
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAL39__d5zEvft4rcJwKA8Uso719kFqxxX


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2024-02-01 - 5:55:38 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
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-  Document emailed to makik@stlouiscountymn.gov for signature
2024-02-01 - 5:55:38 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
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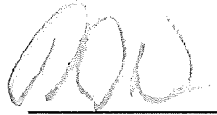
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Duluth Airport Authority
DAA Construction ACH Payment Register #3-2024
February 9, 2024

Confirmation #0390277

Document Number	Date	Transaction Type	Payee	Amount
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00000116/2	2/9/2024	BILLPMT	1 KGM Contractors	\$16,324.94
00000116/3	2/9/2024	BILLPMT	1 Tom Kraemer, Inc.	\$105.00
00000116/4	2/9/2024	BILLPMT	Mike's Signs	\$200.00
Total				<u>\$442,233.31</u>



Airport Director

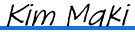


Joelle Bodin (Feb 9, 2024 10:05 CST)

Finance Director

Tom Werner

Executive Director



Kim Maki (Feb 9, 2024 08:50 CST)

Board President



Jos Bailey (Feb 9, 2024 08:24 CST)

City Treasury












Construction ACH Payment Register #3-2024

Final Audit Report

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Created:	2024-02-09
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
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Construction Newsletter

Duluth International Airport (DLH)

January 19, 2024

Ranch Hangar Construction Progress

Over the last month, effort has focused on the interior mechanical and electrical work, interior wall construction, and bi-fold door installation. Starting next week, work will focus on hangar door sheeting.

The construction area is located inside a fenced-off area and limited airfield impacts are anticipated to the taxiway south of Monaco around the fuel facilities and the construction site. Please be sure to use caution when taxiing or driving around this area.

Substantial building completion is anticipated in February 2024.



Taxiway A - Phase 3 and Taxiway C South Reconstruction

Taxiway A Phase 3 and Taxiway C South reconstruction is anticipated to start in the spring. Additional information regarding the 2024 airfield construction projects will be shared in the coming months.

Please note, dates and planned construction related activities are subject to change.

Airfield [NOTAMs](#) should be checked to confirm the current status of the airfield.

[Project Contact Information](#)

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Taxiway A Reconstruction: Adinda Van Espen, PM - SEH - avanespen@sehinc.com

Ranch Hangar Construction: Dustin Wick, PM - KA - 218.348.1983

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Construction Newsletter

Sky Harbor Airport (DYT)

January 19, 2024

Terminal Building and SRE Building Construction

The Terminal Building has made significant progress over the past month. Exterior building framing has been completed along with all the underground utilities. The concrete interior slab is expected to be completed next week. The contractor has provided temporary heating to allow for construction to continue throughout winter. The project is still on schedule!

The SRE Building project remains dormant for the winter months, waiting for the pre-fabricated building. The building is expected to be delivered near the end of February when construction will pick back up again. This project is also still on schedule.



Terminal building construction progress.



SRE Building construction progress.

*Please note, dates and planned construction related activities are subject to change.
Airfield [NOTAMs](#) should be checked to confirm the current status of the airfield.*

[Project Contact Information:](#)
Tristan Durfee, DYT Airport Manager - Airport Authority - tdurfee@duluthairport.com
Mark Papko, Director of Operations - Airport Authority - mpapko@duluthairport.com
Ryan Falch, Project Manager - SEH - rfalch@sehinc.com




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“Wingless Travel” Takes Flight at Regional Airports

BY NICOLE NELSON

 When passengers choose to travel from a small regional airport to a larger hub, most assume a small regional jet will take them from Point A to Point B.

However, this sweeping generalization has recently been upended with the introduction of “wingless flights” in areas surrounding Denver, Minneapolis and Philadelphia. An increasing number of travelers accustomed to boarding flights on American Eagle, SkyWest, or PSA Airlines are now riding in coach buses between city pairs such as Fargo, ND, and Minneapolis; or Allentown, PA, and Philadelphia. Service is provided by The Landline Company, and tickets are typically booked through airline partner websites.

For regional airports, the company improves connectivity; at larger hubs, it helps reduce curb congestion.

Duluth International (DLH) in Minnesota was the first community airport to initiate this particular brand of road-based shuttles. Starting in November 2019, The Landline Company began bridging the gap between DLH and Minneapolis-St. Paul International Airport (MSP) with three-hour bus rides via a partnership with Sun Country Airlines.

Northern Colorado Regional Airport (FNL) in Loveland, CO, followed suit to carry passengers to and from Denver International Airport (DEN). Aaron Ehle, planning and business development specialist at FNL, is extremely pleased to have premium shuttle buses as an option for travelers.

“Landline has been going for about two years now, and people are really enjoying the service,” Ehle says. “It is really building steam.” The FNL-DEN

bus route, generated by United Airlines, has grown from four times per day to 11 times on select days, and is now the company’s highest-volume route.

Land Cruising

From Ehle’s perspective, the road-based service provides parallel access and rivals the efficiencies of bundled regional flights.

“You can book directly through United’s website, so it really operates a lot like the connecting flights,” he explains. “United really has a pretty slick system of making those reservations and matching the bus departures up with the flight banks at Denver International.”

Although the service is denoted on booking and reservation information by the phrase, “Includes Travel Operated by The Landline Company dba UA Bus Service,” some customers still expect to board aircraft. Landline Marketing Specialist Hannah Tamura says they are pleasantly surprised after riding in one of the company’s coaches. “We offer more legroom than an economy seat on most planes, have free Wi-Fi, and in-seat power and reclining leather seats in all our vehicles,” she relates.

The United Airlines booking platform allows FNL passengers to check bags to their final destinations within the carrier’s global network. And loyalty members can earn MileagePlus benefits for their coach trips.

Other travelers are also benefiting from the land-based service between FNL and DEN. Although the route started as a United-only partnership, it has since expanded to include customers on any airline. In addition, DEN passengers



HANNAH TAMURA



AARON EHLE


Chippewa Valley
REGIONAL AIRPORT


NORTHERN COLORADO
REGIONAL AIRPORT

FACTS&FIGURES

Project: Coach Service Between Regional Spoke Airports & Larger Hubs

Service Provider: The Landline Company

Regional Airports: Atlantic City Int'l (ACY); Chippewa Valley Regional (EAU); Duluth Int'l (DLH); Grand Forks Int'l (GFK); Hector Int'l (FAR); Lancaster Airport (LNS); Lehigh Valley Int'l (ABE); Northern Colorado Regional (FNL)

Hub Airports: Denver Int'l (DEN); Minneapolis-St. Paul Int'l (MSP), Philadelphia Int'l (PHL)

Airline Network Partners: American; Sun Country; United

Fleet: 25 Prevost H3-45 coaches

Signature Amenities: Leather seats with 36 inches of pitch; free Wi-Fi; restrooms

Sample One-Way Fares: Prices start at \$29 for FNL/DEN, University of ND campus/FAR; \$35 for EAU/MSP, DLH/MSP, FAR/MSP; \$49 for University of ND campus/MSP

Key Benefits: Better connectivity for passengers; less curb traffic at airports

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Coach amenities include free Wi-Fi and reclining leather seats with power outlets.

bound for the Fort Collins-Loveland area in general, not just the airport, can book Landline trips directly through the company's website. One-way prices start at \$29 for the hour-long drive between airports; children 12 and under ride free with a paid adult.

Whether their coach ride is bundled through United or booked directly with Landline, passengers can park free at FNL before boarding the premium airport shuttles.

Gresham Smith
Genuine Ingenuity

Charlotte Douglas
International Airport
Terminal Lobby Expansion

"They are very nice buses with restrooms and Wi-Fi, so it is more of an upscale experience than traditional shuttle service," Ehle attests. "I just used it, and it was very seamless. I really enjoyed it and have a lot of friends that do, as well."

"When you get to Denver, all you have to do is get off the bus and go through security and on to your gate."

Multimodal Travel

Since Landline shuttles operate as "wingless flights," passengers receive wing-worthy benefits. For example, if Landline passengers booked through United are delayed due to road congestion in Denver, they are automatically booked on the next flight to their final destination, with checked baggage transferred accordingly.

"Landline has a good connection rate, but I did have one ride last year where (the shuttle) arrived a little later than anticipated," Ehle says. "But they were able to get me through a fast-track security line so I was able to make my flight."

Looking to further improve service, he is hopeful that FNL will soon secure the same TSA benefits as Atlantic City International (ACY) in Southern New Jersey and Lehigh Valley International (ABE) in Allentown, PA. Since July 11, American Airlines passengers at both airports can check bags and clear security before boarding their Landline shuttles. Passengers are dropped airside at PHL, eliminating the need for them to pass through the TSA checkpoint there. As the first multimodal system to partner with TSA for screening passengers and bags, the service could prove to be an industry game-changer.

"When we get that TSA approval here, it will be even more like a connecting flight where you will check in here, go to security, and then you'll be dropped off at the concourse area in Denver," Ehle relates.

"We really want to be a multimodal transit hub, so we're not looking to just offer flights," he adds.

That said, FNL isn't trying to compete with DEN. "We aren't even a blip on their radar," Ehle chuckles. "What we are looking to do is help people get to Denver International Airport in a more timely and convenient way, and obviously offer direct access out of here to destinations that people are looking to get to."

Another Example

Chippewa Valley Regional (EAU) in Eau Claire, WI, is pleased to offer its passengers coach connections to MSP through Sun Country Airlines.

"Even before we had airline service with Sun Country, we had a relationship with Landline; so we were familiar with their company and their brand," says EAU Airport Director Charity Zich. "Because of Landline's seamless relationship with Sun Country and our new relationship with Sun Country as the primary airline at our airport, it made perfect sense that we would work together to have Landline supplement the less-than-daily flight service to provide additional options to travel from our area."



CHARITY ZICH

The ground transportation schedule is specifically designed to accommodate and maximize connections with Sun Country flights at MSP. Without complications from heavy traffic, construction or snow on the roads, the coach ride from airport-to-airport typically takes about 90 minutes.

"The No. 1 preference of travelers from our region is to travel by air if that works with their schedules and the pricing is right, but both of those things don't always work," Zich notes. "Our goal as an airport is to maximize options for area travelers, and Landline offers another option."

People throughout Western Wisconsin use the EAU/MSP coach route to access the Twin Cities unrelated to air travel.

Fleet Speak

As co-founder of The Landline Company, David Sunde is gratified to provide service to customers in communities such as Eau Claire and Fort Collins.

"We think of ourselves as the world's first multimodal airline," he says. "What does that mean in non-buzzword language? Very simply, we are a regional airline in every



DAVID SUNDE

sense of the word with the one distinction being the lack of CRJ-200s or ERJ145s. We operate a fleet of predominantly Prevest H3-45s. But for customers, the experience is nearly identical."

In fact, Sunde is confident that riding on Landline's fleet of 25 luxury coaches is often easier than flying.

"I am really happy and amazed with the progress we have made, and really proud to say that we are now a national provider with affordable connectivity," he reflects. "I think we have established ourselves as a partner that is really reliable if you're an airline feed, and keep you connected to major airline networks if you're an airport."

The bus company's network is also expanding beyond airports. Following the overwhelmingly positive response to service between Hector International Airport (FAR) in Fargo, ND, and MSP, Landline added stops at the University of North Dakota to its schedule in September 2023. While the new service does not follow the company's typical airport-to-airport model, airline passengers traveling from the university campus in Grand Forks can connect to FAR or continue on to MSP. One-way fares for the FAR segment start at \$29, and one-way fares continuing to MSP start at \$49. ✈️

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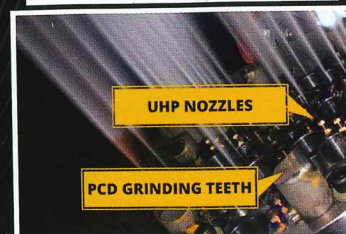


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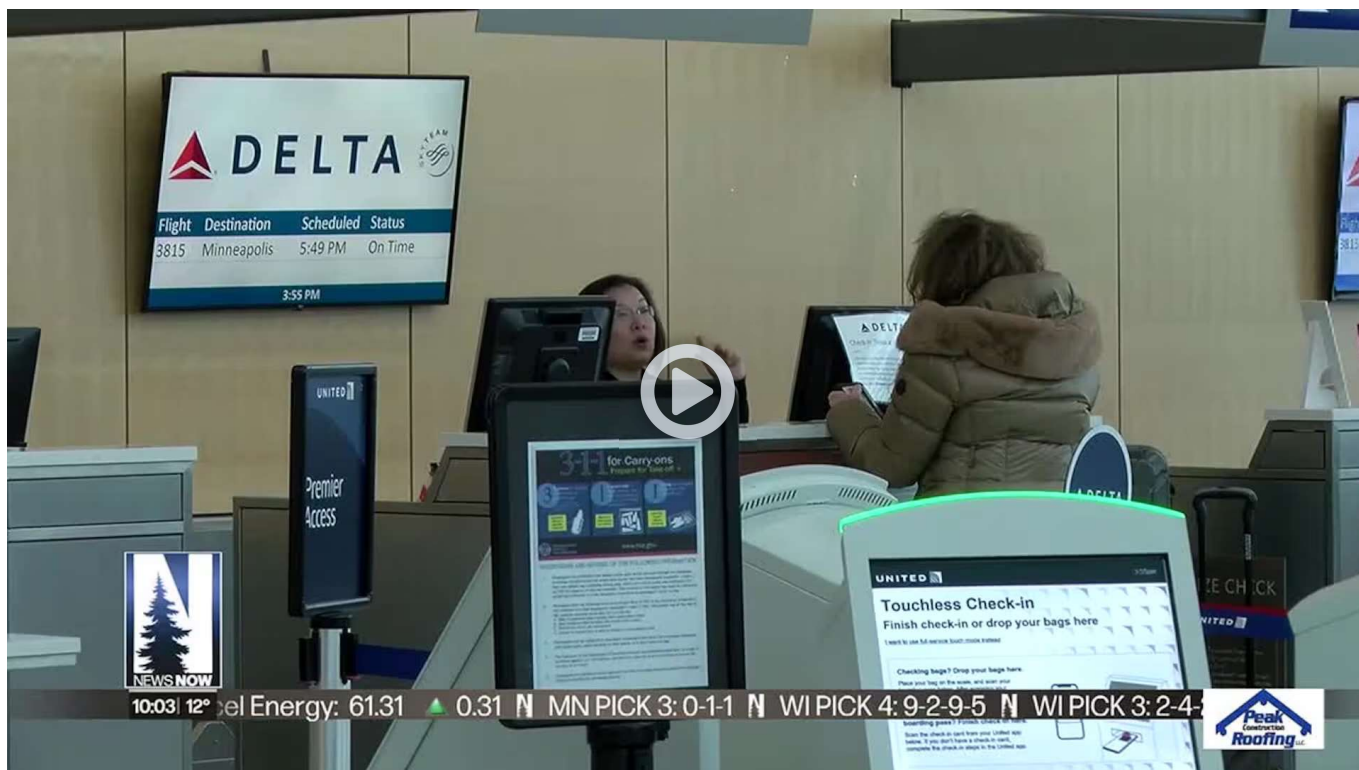
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Duluth air travelers prepare for layovers ahead of weekend snow storm



By [Cara Kopp](#)

Published: Jan. 12, 2024 at 10:24 PM CST



DULUTH, MN. (Northern News Now) -- The Midwest snowstorm canceled flights across the country, which created problems for air travelers at the Duluth International Airport.

"I'm just hoping to make it there," said Mary Jo Weber, who is from Nashauk, MN.

Weber's plans on Friday were to travel from Nashauk to family in Ohio, via Duluth International Airport.

Unfortunately for Weber, the [forecasted](#) blizzard warnings put a dent in her plans.

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"I've just got a short period of time from work so I just want to make sure that I can spend as much time there as I can," said Weber.

Weber was expecting to fly out of Duluth to Minneapolis, have a quick one-hour layover, then fly to Ohio. However, the incoming storm made passengers across the country, like Weber, prepare for layovers to last much longer than scheduled.

"I brought a pillow and a blanket first time ever," said Weber.

Some luck was given to some air travelers at DLH, as all three flights to Minneapolis were on time.

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Unfortunately, that couldn't be said for the four Duluth flights to and from the windy city.

"Chicago is experiencing some pretty good, some pretty decent winter weather. So that's affecting their operations that airlines in Chicago had to cancel their outbound flights," said Natalie Baker, the director of communications at Duluth Airport Authority.

O'Hare International Airport in Chicago had to cancel more than a thousand flights on Friday, which put a pause on operations at home.

"We have a fantastic airside maintenance team," said Baker. "They're out there 24/7 keeping the runways and taxiways clear and ready for any aircraft scheduled to land."

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A weekend long snowstorm across the county, leaving passengers like Weber, wishing it came at a different time.

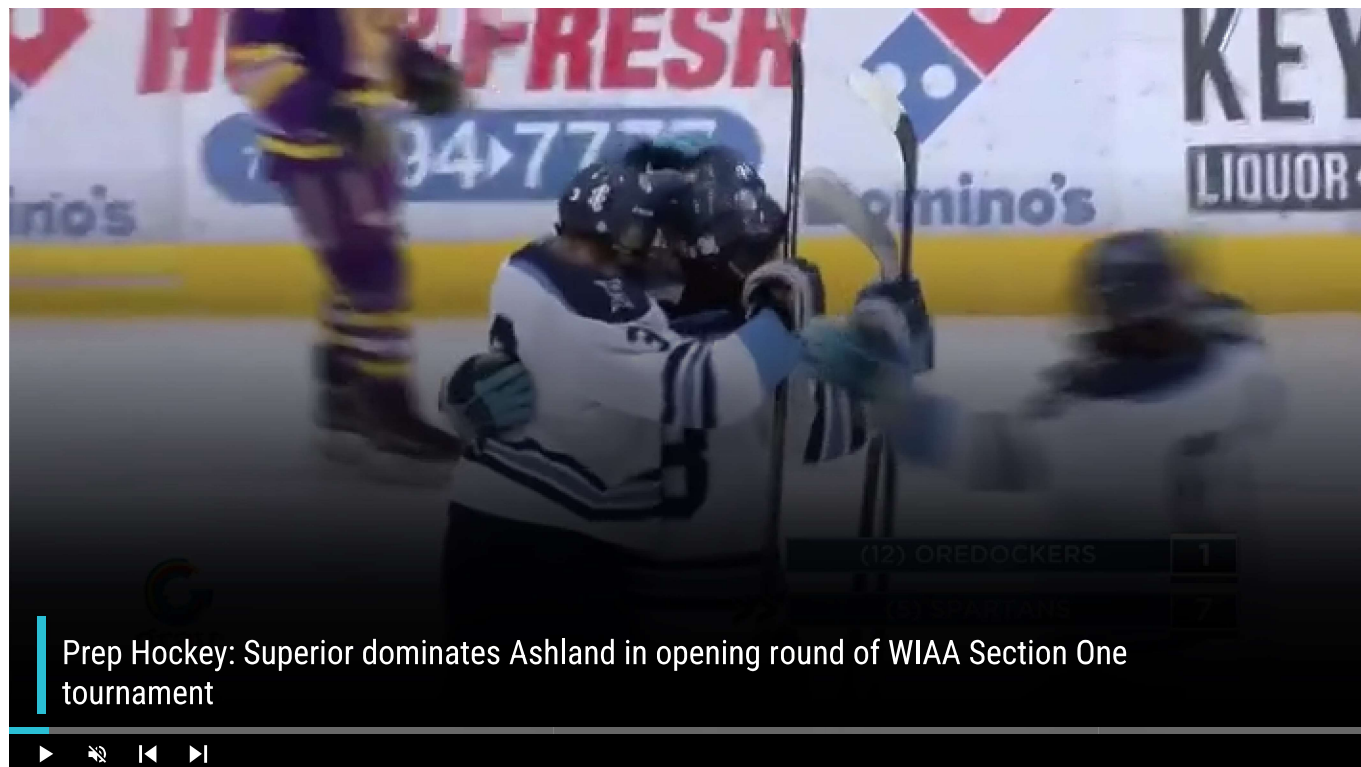
"Just hoping and praying I make it there safely," said Weber.

Click [here](#) for updates on flight times.

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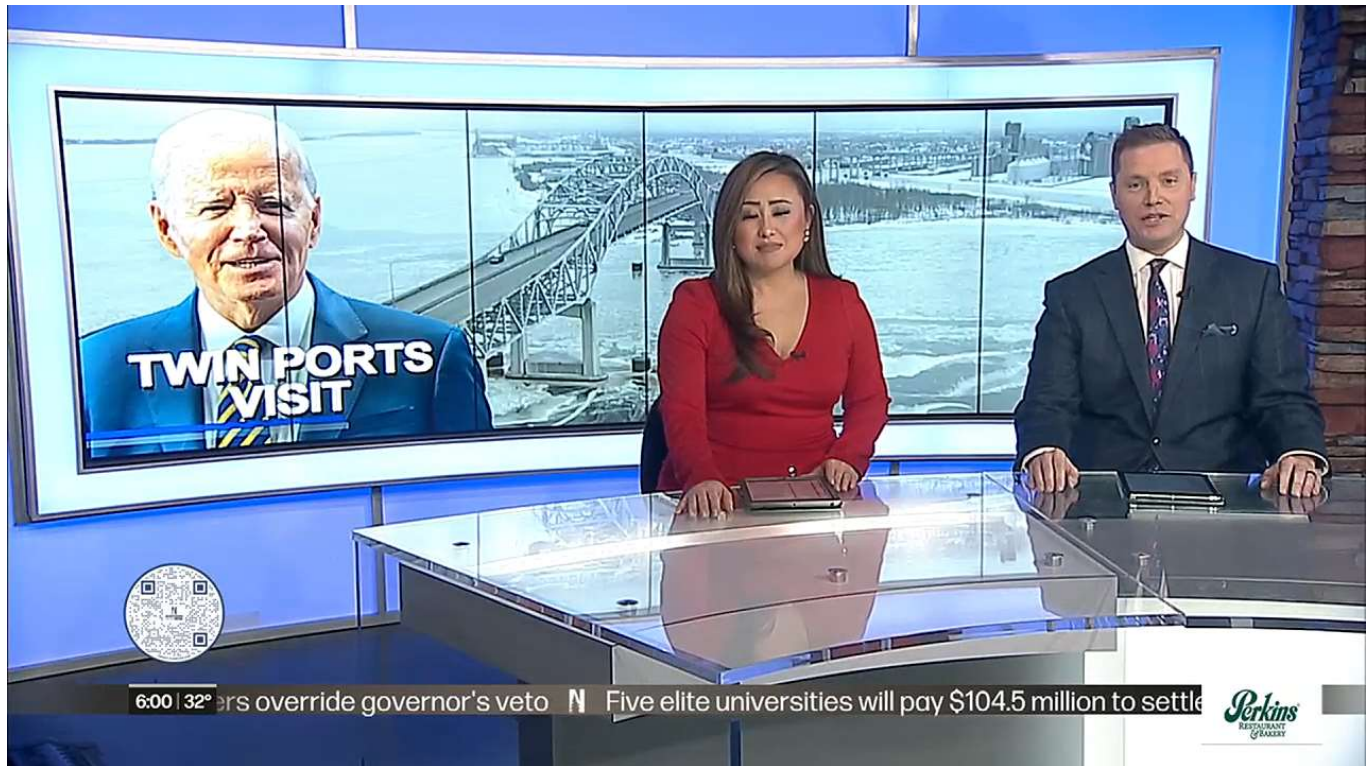
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Duluth Airport prepares to welcome President Biden



By [Jack Wiedner](#)

Published: Jan. 24, 2024 at 5:01 PM CST



DULUTH, MN. (Northern News Now) - President Joe Biden will visit Superior on Thursday to speak about jobs and infrastructure, but before he heads across the bridge, Biden will be landing in Duluth.

With the arrival of Air Force One, Duluth International Airport officials are working hard ahead of the president's arrival.

While it's a project they've taken on before, Natalie Baker with the Duluth Airport Authority said each visit is unique in its own way.

"I think every operation like this is different from the last," Baker said. 'It just comes down to being dynamic with the needs as they might change with the operation."

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President Biden's last trip to the Twin Ports was in 2022. For that visit, he touched down in Duluth and was transported by motorcade to Superior.

While Biden will likely fo
Baker said the president

Despite the secrecy,

The president's arrival is not expected to impact any commercial flights out of Duluth International Airport. As for his departure, Baker said they'll have to wait and see.

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It's also possible that traffic near the airport and around the Twin Ports will be delayed.

The Duluth Police Department released the following statement regarding traffic impacts:

On Thursday, January 25, those traveling in the City of Duluth may experience significant delays. If you encounter closed streets, marked vehicles, cones, and other barriers, please remain behind them until such time they are removed, and be respectful and courteous of these closures.

The Duluth Police Department wants to extend our appreciation to the public for being aware of their surroundings, putting down distractions, and being courteous of others, as delays are expected to occur.

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IV. - F.
MINNESOTA'S LOCAL AIR SERVICE ACTION COMMITTEE

Committed to growing air service throughout Minnesota

January 10, 2024

IT Modernization Steering Committee
Minnesota IT Services
658 Cedar St
St Paul, MN 55155

RE: Airport CIP Software Update

Modernization Steering Team,

I am writing on behalf of Minnesota's Local Air Service Action Committee (LASAC). The group, which was organized in 1964, promotes air service to communities throughout Minnesota.

We are requesting your support for the Minnesota Department of Transportation (MNDOT) Office of Aeronautics' Technology Modernization Fund application. The \$1,000,000 request will be used to procure suitable Capital Improvement Plan (CIP) and grant management software. The current software is antiquated, requiring the use of an outdated version of Internet Explorer to enter data. Furthermore, the off-the-shelf software was not intended for this type of application, limiting the reporting and data mining necessary to effectively manage the State's Aviation CIP. Among other concerns, this makes it difficult to adequately convey the status of the State Airports' Fund to lawmakers, tasked with difficult appropriation decisions in support of Minnesota's airport infrastructure.

We see an opportunity with the timing of the software's procurement to complement the rollout of the State Aviation System Plan. Unlike plans of the past, the new plan is intended to be a living document with information updated regularly and publicly available through an online dashboard portal. The addition of airports' CIP data to that dashboard will add considerable value to policy makers as well as the public, highlighting the needs of the aviation system.

In addition, the Federal Aviation Administration uses a similar grant management software platform (SOAR) that may benefit from integrating the state's CIP data while simultaneously preventing the duplication of effort by those entering the data.

Our member airports feel that informed decision making regarding the State's aviation infrastructure needs can only come from accurate data collection. An update to the State's CIP software is necessary to assist in that decision-making process.

Thank you for your consideration and support. LASAC stands ready to assist this effort in any way possible.

Sincerely,

Tom Werner, A.A.E.
Chair, LASAC

*Brainerd Lakes Regional Airport (BRD) / Bemidji Regional Airport (BJI) / Duluth International Airport (DLH)
Falls International Airport (INL) / Minneapolis St Paul International Airport (MSP) / Range Regional Airport (HIB)
Rochester International Airport (RST) / St Cloud Regional Airport (STC) / Thief River Falls Regional Airport (TVF)*

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City of Duluth Communications Office

Mayor Roger J. Reinert
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For more information, please call 218-730-5309

DATE: 1/22/2024 12:00:00 AM

SUBJECT: Mayor Roger J. Reinert proposes the City of Duluth's top 2024 legislative bonding priorities

BY: Kelli Latuska, Public Information Officer

Mayor Roger J. Reinert announces the City of Duluth's top 2024 legislative bonding priorities

[DULUTH, MN] Mayor Roger J. Reinert has proposed the City of Duluth's top legislative bonding priorities for 2024. The priorities, which are outlined as follows, were proposed to City Council through a resolution that will be voted on during tonight's City Council meeting:

- Funding for the Lakewood Water Treatment Plant repairs to its roof and other building components, as well as rehabilitation of the granular filtration system used to treat and ensure safe drinking water for the Duluth metro area, including Duluth, Proctor, Hermantown, and Rice Lake;
- Funding for significant structural repairs to the Aerial Lift Bridge's lift span, sidewalks, and painting of the overhead truss across the ship canal;
- Funding to cover costs to rehabilitate Lot D in Duluth's bayfront area to enable new economic development opportunities on the site. Costs will include seawall repairs, demolition of existing infrastructure, utilities, and other related site preparation;
- Funding for the Spirit Valley multi-purpose community center and sports arena in Memorial Park, which will provide wellness, recreation, and workforce programming across all age groups;
- Funding for planning to reconceptualize the downtown library project, envisioning a new library facility incorporating complimentary privately funded development including housing, commercial, and retail space.

“These priorities reflect the community conversation we just had over the past year –

utilities, infrastructure, commercial tax base development, and community service assets,” said Mayor Reinert regarding the proposal. “This will be a short, fast, focused session. It’s critical we have a clear and concise agenda for the Governor and our legislative partners.”

In addition to the city’s top bonding priorities above, the city also supports the following projects:

--Funding for the Duluth Airport Authority’s control tower project, replacing a more than 70-year-old tower facility;

--Funding for the Duluth Entertainment Convention Center for accessibility improvements, deferred infrastructure repairs and maintenance, and investments in energy-saving improvements;

--Funding in support of the redevelopment of the Duluth Armory.

Councilors will vote on these proposed legislative priorities in this evening’s City Council meeting, which begins at 7:00 PM in City Hall’s Council Chambers. Members of the public may attend the meeting in person, or they may observe the meeting’s proceedings virtually via PACT-TV’s broadcast, 103.3 FM The North, or [here](#).

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chamber Xpress

DULUTH AREA CHAMBER OF COMMERCE MONTHLY NEWS

Vol. 25 • Issue 2 February 2024

www.duluthchamber.com

Join Us for After Hours Networking Event at Encore

Join the Duluth Area Chamber of Commerce, Encore Event & Party Express and Lundeen Productions for an After Hours networking event with food, drinks, prizes and a chance to check out the Encore warehouse and see new inventory.

After Hours is the Duluth Area Chamber's popular networking series where area businesses and community members gather to enjoy appetizers and beverages at this casual event while meeting fellow local professionals.

Encore Event & Party Express in Superior has a professional staff with more than 100 years of combined experience in the event and rental industry, and it shows. Whether you're planning a family event, wedding, corporate event or a large tradeshow, the team at Encore have the products and expertise to help make it a success.

After Hours events are \$5 at the door for Duluth Area Chamber members, \$10 for non-members. There will be a photobooth by Euphoric Entertainment and door prizes, including a 20x30 Grad Package which can be used for upcoming graduation or birthday parties, or other similar events (includes tent, chairs, tables, popcorn machine and more). We look forward to seeing you there. Register online at duluthchamber.com.

After Hours Networking Event
February 27, 4:30 - 6:00 p.m.
Encore Event & Party Express
1119 Ogden Ave, Superior



Moving business forward. ▶

IV - H. Stronger Together! 27th Annual Duluth & St. Louis County at the Capitol Days, March 6-7

The Duluth Area Chamber of Commerce, Duluth Area Chamber Foundation, City of Duluth and St. Louis County are once again partnering with a record-breaking number of sponsoring businesses and organizations this year for our region's largest and most effective legislative advocacy event—the 27th Annual Duluth & St. Louis County at the Capitol Days.

We are preparing to head down to St. Paul together, with a unified voice, to collectively advocate for several important legislative priorities for our region. From supporting our aviation industry and the 148th Fighter Wing, to a number of infrastructure and economic development projects, housing, workforce development, child care, policy updates, tax and permitting reform and more, we are prepared to help advocate for our members and our region's business community. From lobbying efforts and the Grand Reception on March 6 to the Legislative Breakfast on March 7, this year's event is poised to be the biggest and best year yet. We hope you'll join us. For more information, please visit duluthchamber.com.



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IV.- I. MINNESOTA'S LOCAL AIR SERVICE ACTION COMMITTEE

Committed to growing air service throughout Minnesota

February 7, 2024

Senator Amy Klobuchar
425 Dirksen Senate Office Building
Washington DC, 20510

RE: FAA Reauthorization- Enhanced Qualification Program Amendment

Senator Klobuchar,

I am writing on behalf of Minnesota's Local Airline Service Action Committee ("LASAC"). The group, which was organized in 1964, promotes air service to communities throughout Minnesota. Our airports include Brainerd, Bemidji, Chisholm-Hibbing, Duluth, International Falls, Minneapolis St Paul, Rochester, St. Cloud, and Thief River Falls.

We are in full support of the Enhanced Qualification Program amendment to the Senate- FAA Reauthorization Bill that would amend current law to allow the FAA Administrator to implement structured and disciplined training courses as flight hour credits, to achieve a restricted ATP license.

The inadequate supply of qualified pilots poses the most serious threat to the future of air service in small communities across the country. That includes 8 in Minnesota. While not the only reason for today's pilot shortage, the hours requirements of the 2013 "Pilot Certification and Qualification Requirements for Air Carrier Operations" (FOQ) Rule is a major contributor.

The goal of the FAA and everyone involved in aviation is to make the system safe for all users. Studies have clearly proven that quality and structured training in a pilot's background, rather than a set number of hours, is correlated with pilot proficiency. The FAA should have the ability to approve credit for training received by not only the military or aviation degree programs, but also carrier-specific and aircraft type-specific training and testing. The requirements identified in the Enhanced Qualification Program provide an excellent framework to ensure the additional training will result in better skilled and competent pilots.

A study published by the University of North Dakota found that over the next decade, major airlines will need to hire approximately 50,000 pilots resulting in a shortage of approximately 14,000 pilots at the major airlines alone in the next few years. The total number of private, commercial and ATP certificates held by pilots aged 20-59 has decreased over 20% since 2009. As many current commercial pilots reach the mandatory retirement age, the shortage will only continue to intensify. There are several factors that have contributed to the pilot shortage facing the country:

- Requirement to have at least 1,500 hours of flight time and an ATP Certificate before they can be considered for their first airline pilot position. (up from 250).
- Large bubble of current pilots reaching the mandatory retirement age of 65.
- High cost to obtain a bachelor's degree with appropriate flight training often exceeds \$150,000 with limitations on the use of the Federal Student Loan program to help pay for the training.

*Brainerd Lakes Regional Airport (BRD) / Bemidji Regional Airport (BJI) / Duluth International Airport (DLH)
Falls International Airport (INL) / Minneapolis St Paul International Airport (MSP) / Range Regional Airport (HIB)
Rochester International Airport (RST) / St Cloud Regional Airport (STC) / Thief River Falls Regional Airport (TVF)*

MINNESOTA'S LOCAL AIR SERVICE ACTION COMMITTEE

Committed to growing air service throughout Minnesota

Unless immediate steps are taken to improve the pathways for future pilots entering the commercial airline system, it is expected that over 150-200 small communities are at risk of seeing a total, or near total, loss of their commercial air service because of the reduction in available commercial pilots. The up gauge in regional jets over the past few years from 50 seat aircraft to 76 seats and the grounding of a majority of 50 seat aircraft has resulted in frequency and total service loss to many communities across the country. In Minnesota alone, essential air service airports have lost approximately 40% of their air service capacity. Duluth and Rochester have lost at least 20% of their air service capacity. If action is not taken with FAA Reauthorization, many communities including those in Minnesota, will see continued reduction and possibly even the elimination of commercial air service. We strongly support efforts to address the pilot shortage and the Enhanced Qualification Program as an important step in that process. Thank you for your outstanding leadership service to Minnesota.

Sincerely,

Tom Werner, A.A.E
Chair, Minnesota's Local Air Service Action Committee

*Brainerd Lakes Regional Airport (BRD) / Bemidji Regional Airport (BJI) / Duluth International Airport (DLH)
Falls International Airport (INL) / Minneapolis St Paul International Airport (MSP) / Range Regional Airport (HIB)
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IV. - J. MINNESOTA'S LOCAL AIR SERVICE ACTION COMMITTEE

Committed to growing air service throughout Minnesota

February 7, 2024

Senator Tina Smith
720 Hart Senate Office Building
Washington DC, 20510

RE: FAA Reauthorization- Enhanced Qualification Program Amendment

Senator Smith,

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Sincerely,

Tom Werner, A.A.E
Chair, Minnesota's Local Air Service Action Committee

*Brainerd Lakes Regional Airport (BRD) / Bemidji Regional Airport (BJI) / Duluth International Airport (DLH)
Falls International Airport (INL) / Minneapolis St Paul International Airport (MSP) / Range Regional Airport (HIB)
Rochester International Airport (RST) / St Cloud Regional Airport (STC) / Thief River Falls Regional Airport (TVF)*

Jenny Delnay

From: Brad Van Dam <brad.vandam@aaae.org>
Sent: Thursday, February 8, 2024 3:07 PM
To: Tom Werner <twerner@duluthairport.com>
Subject: Airport Alert: Senate Committee Approves FAA Bill



Senate Committee Approves FAA Bill

February 8, 2024

After months of delay, the Senate Commerce Committee today approved by voice vote a bipartisan five-year FAA reauthorization bill that proposes to increase AIP funding to \$4 billion annually and authorizes \$350 million for PFAS transition efforts at airports. Since the House approved its version of the bill last year, today's action marks a key step toward getting a multi-year FAA bill enacted into law. As you will recall, FAA programs and excise taxes are currently scheduled to expire on March 8.

The FAA bill had been stalled in the Senate since last June over disputes regarding the 1,500-hour training rule and the mandatory retirement age for commercial airline pilots. Debate over perennial hot topics such as slots at Ronald Regan Washington National Airport also slowed down the process. But lawmakers managed to work their way through those and other thorny issues to finally get a bill through the committee.

Today's markup went smoothly and required lawmakers to vote on only one amendment – a proposal to raise the mandatory retirement age for commercial airline pilots from 65 to 67, which failed on a party-line vote. The committee also adopted a manager's amendment that included approximately 80 amendments that lawmakers had filed.

Key Airport Victories

Budd/GA Transient Parking: On the airport front, the committee did not consider an amendment filed by Senator Ted Budd (R-NC) that would have required public use airports to provide transient aircraft parking for general aviation pilots who don't want to use FBO services. And it would have required that any fees for transient parking be "fair, reasonable, transparent, publicly available (including on the covered airport's website) and exclude any extraneous or hidden costs."

AAAE, ACI-NA, airports around the country, and other aviation stakeholders worked hard to defeat the proposal that was backed by AOPA. Senator Budd recently proposed a revised amendment that would have required DOT and FAA to update rates and charges policy to ensure that rates, fees, rentals, landing fees, and service charges imposed on GA pilots are fair, reasonable, and transparent. But the committee did not consider the modified version either.

Senator Budd discussed his concerns about FBO fees during today's markup and cited specific examples to help make his case including general aviation pilots who are forced to pay \$400 to drop off passengers at a Massachusetts airport. He indicated his desire to continue pursuing legislative changes in this area as part of FAA reauthorization -- a top priority for AOPA.

Fischer-Sullivan/Grant Assurances: The manager's package includes an amendment from Senators Deb Fischer (R-NE) and Dan Sullivan (R-AK) that would eliminate two onerous grant assurances in the underlying bill that AAAE and ACI-NA strongly opposed. One would have prohibited airports from imposing "unreasonable fees for transient aircraft parking that exceed the airport's cost to operate and maintain the area where transient aircraft may park." Another would have conditioned AIP funds on airports ensuring that chain FBOs "publicly disclose on a continuous basis all its prices and fees for the use of its services, products, and facilities at the airport...."

The Fischer-Sullivan amendment also revises a separate grant assurance in the underlying bill that would require airports to “continue providing 100 low-lead aviation gas until such time as a FAA-certified unleaded aviation gas replacement can be made available for purchase or use by general aviation aircraft operators at airports subject to certain conditions.” And it requires “the FAA and the EPA to not restrict the availability of 100 low-lead aviation gas in the State of Alaska through 2034 and requires GAO to issue a report to inform Alaska’s transition to unleaded aviation gas.”

Amendments Considered Today

Blackburn/Age 67: The Committee rejected an amendment offered by Senator Marsha Blackburn (R-TN) that would have raised the mandatory retirement age for commercial airline pilots from 65 to 67. The vote was 13 to 14 with all Republicans supporting the amendment and all Democrats opposing. The House-passed version of the bill includes a similar provision.

Markey/Good Jobs for Good Airports Act: Senator Ed Markey (D-MA) offered and withdrew a revised version of the so-called Good Jobs for Good Airports Act. His amendment would have required airlines and other concessionaires at large and medium hub airports to pay their service workers at least \$15 per hour and provide certain benefits. Instead, the Committee agreed to have the GAO study the issue.

The labor-backed bill initially called for conditioning AIP funds, PFCs, and Bipartisan Infrastructure Law grants on the new requirements. After AAAE and ACI-NA raised strong objections, SEIU and their allies on the Hill agreed to take airports out of the middle of trying to police wage and benefit levels between employers at airports and their employees. Proponents also narrowed the proposal even further to exempt employers at small hub airports. The labor proposal is not included in the House-passed version of the bill.

Key Amendments Included in Manager’s Package

Thune-Sinema/1,500-Hour Rule: The manager’s package includes an amendment from Senators John Thune (R-SD) and Kyrsten Sinema (I-AZ) to modify the controversial 1,500-hour training rule for commercial airline pilots. The revised amendment would require the FAA to establish an “Enhanced Qualification Program” within six months and “guidelines for an assessment that prospective pilots are required to pass in order to participate in the training program.”

The amendment also states that it will have no impact on the total flight hours that prospective pilots are required to reach in order to receive an airline transport pilot certificate. The previous version of the Thune-Sinema amendment would have allowed prospective pilots to obtain 250 hours of credit for completing enhanced training provided by qualified participating carriers.

Warnock-Lummis/DCA Slots: The Commerce Committee endorsed a proposal from Senator Raphael Warnock (D-GA) that “provides an increase of 10 within and beyond perimeter slot exemptions for 5 additional roundtrip flights between Ronald Reagan Washington National Airport and domestic airports.” This is up from a reported plan to increase the number of roundtrip flights at DCA by four.

Cruz/Security Escorts: The manager’s amendment includes a controversial amendment from Ranking Member Ted Cruz (R-TX) that would require TSA to provide escorts to lawmakers, cabinet officials, federal judges, other federal officials, and their families and staff at commercial service airports when requested. The latest draft we reviewed also allows TSA to shift that responsibility to airports.

AAAE, ACI-NA, and the Airport Law Enforcement Agencies Network spoke out against the Cruz proposal. We highlighted how the TSA is already struggling to keep pace with growing traffic levels and actively working to shift the agency’s costs and responsibilities to airports — employee screening, exit lane staffing, canines, and law enforcement responsibilities at checkpoints are recent examples. Given existing constraints, it is likely if not certain that TSA would pass the requirements of this provision to airports. And we pointed out that this would create yet another unfunded federal mandate on local airports.

There was not much discussion about the Cruz amendment or other specific amendments included in the manager's package during today's markup. However, Senator Gary Peters (D-MI) raised objections to the proposal and argued that member of Congress should not get "special treatment." Politico published another story on the proposal [today](#).

Sinema-Tester/Contract Towers: The manager's amendment includes a proposal from Senators Sinema John Tester (D-MT) that would make several changes to the FAA Contract Tower Program. Their proposal: "establishes a pilot program to convert high activity control towers under the Contract Tower Program to FAA staffed VFR towers." It also calls for "minimum ATC staffing levels for certain contract towers.

The amendment also includes a USCTA-backed proposal that calls for "a review and update of ATC wages at contract towers conducted jointly by the FAA and Department of Labor." It "adds mixed military use and projected growth as factors for the FAA to consider when assessing potential facilities for the Contract Tower Program." And it "increases prioritization for contract tower projects in the small airport fund."

Thune/ATC Towers: The package includes an amendment from Senator Thune that would "require the FAA to prioritize replacing towers at small hub airports that are at least 50 years old with Facilities and Equipment funds under Infrastructure Investment and Jobs Act."

Duckworth/PFCs: The manager's amendment includes an amendment from Aviation Subcommittee Chair Tammy Duckworth (D-IL) that would "allow the use of PFC revenue to pay for costs incurred when an airport has to relocate a federal agency that works on airport grounds to another location at the airport due to terminal construction or renovation."

Lummis/Hangars: The package includes an amendment from Senator Cynthia Lummis (R-WY) that would allow nonhub airports to use AIP funds for the construction of new sponsor-owned hangars and the taxiways leading to them.

Markey/Energy Efficiency: It includes a proposal from Senator Ed Markey (D-MA) that would “direct DOT to provide technical assistance for public-use airports to consider implementing electrochromic glass to improve airport energy efficiency.”

Markey/Resiliency: The package includes another Markey amendment that “establishes an airport infrastructure resilience pilot program, providing grants to eligible airport sponsors for the planning, design, and construction of projects that reduce the vulnerability of airport infrastructure due to weather events, natural disasters, sea level rise, permafrost thaw, higher air temperature, etc.”

Schatz-Budd/Natural Hazards: The package includes a proposal from Senators Brian Schatz (D-HI) and Budd that would “ensure airport projects related to natural hazards, disaster preparedness, and emergency management are eligible for funding under the FAA’s Airport Improvement Program.”

Welch/Airport Energy: The package includes an amendment from Senator Peter Welch (D-VT) that would establish “a program that encourages airport sponsors to assess the airport’s current and future electrical power demand and establishing a pilot program for airports to be able to purchase multi-modal electric charging equipment to support electric aircraft and ground vehicles.”

Welch/Revenue-Producing Facilities: It also includes another Welch amendment that would “prohibit the FAA from restricting funding for revenue-producing facilities at rural public use general aviation airports.”

Rosen/Transitioning Airports: Senator Jacky Rosen (D-NV) and others filed an amendment that would “allow airports transitioning from small hub to medium hub status to not be subject to reduced apportionments based on PFC collections for five years following the transition as opposed to three,” which is included in the underlying bill.

Rosen/Encroachment: The package also includes another proposal from Senator Rosen that” would require the FAA to analyze cumulative safety, security and capacity impacts when making a determination of hazard or no hazard for airspace reviews.” The amendment also allows the agency “to develop a single set of One Engine Inoperative (OEI) surface criteria that is specific to an airport and requires that within 6 months of enactment the Administrator brief Congress regarding the status of FAA’s efforts to protect OEI surfaces from encroachment.”

Vance/Primary Airports: The underlying bill would allow public airports to be considered a primary airport in FY24 if that airport was designated a primary airport in FY17 and was used by an air reserve station in the calendar year used to calculate apportionments. The package includes an amendment from Senator J.D. Vance (R-OH) that would extend this provision through FY28.

Baldwin/Student Loans: The package includes an amendment from Senator Tammy Baldwin (D-WI) that would “allow Federal direct student loans to be used to finance flight training at accredited Part 141 flight schools and raise the maximum borrowing limits for Federal direct student loans up to \$107,500 to help finance the cost of accredited flight training required to obtain a commercial pilot license from certificate, 2-year, and 4-year degree programs.”

Baldwin/Veterans: It includes another Baldwin amendment that would require DOT to establish program “to award flight training schools, with established pathways for employment with airlines, to recruit and provide training to veterans.”

Notable Amendments Not Included in Manager’s Package

Lummis/Categorical Exclusion: The manager’s package does not include an amendment filed by Senator Lummis that called for a new categorical exclusion for airport projects that receive less than \$12 million in federal funds or projects with a total cost less than \$65 million and a federal share of less than 15 percent. The House-passed bill includes a provision that would provide a categorical exclusion for projects that receive

less than \$6 million in federal funds or projects with a total cost less than \$35 million and a federal share of less than 15 percent.

Lummis/PFAS: Senator Lummis filed an amendment that would have provided airports with liability protections for PFAS. That was not included in the package either.

Related Documents

- Summaries of amendments included in the manager’s amendment may be viewed [here](#).
- A section-by-section of the underlying bill, S. 1939, may be viewed [here](#).
- AAAE’s Airport Alert outlining the initial Senate bill may be viewed [here](#).

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[Brad Van Dam](#), Senior Vice President

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IV. - L.



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LOCAL

Duluth seeks replacement of outdated air traffic tower

The 70-year-old tower fails to meet several Federal Aviation Administration standards.

By **Jana Hollingsworth** (<https://www.startribune.com/jana-hollingsworth/7756704/>) Star Tribune |

FEBRUARY 10, 2024 — 10:00AM

DULUTH — The air traffic control tower at Duluth International Airport hails from the 1950s, clocking it as the third-oldest in the country.

About half the size it should be, it's too short for the length of its runways, and necessary repairs or replacements make up a costly laundry list.

The aviation economy in Duluth has grown "exponentially" since the tower was built and makes the biggest financial impact on the state's aviation industry outside of Minneapolis, said Tom Werner, executive director of the Duluth Airport Authority.

"We have a robust and very, very diverse aviation economy here, [which] requires air traffic control to kind of quarterback all that is going on in the air," he said, making it critical to maintain modern technology.

The Airport Authority, backed by the city of Duluth, is asking the state for \$14 million to help pay for a \$66 million replacement project. The project didn't make the cut during last year's legislative session.

The state money would help snag federal funding to cover the bulk of the project and pay for demolition of blighted buildings to make way for the new tower, environmental work and relocation of an airfield road.

Last fall, Minnesota's entire congressional delegation, led by Democrat Sen. Amy Klobuchar and Republican U.S. Rep. Pete Stauber, sent a letter to the Federal Aviation Administration asking for support for the project. It has a narrow window to procure money from the Infrastructure Improvement and Jobs Act.



The air traffic control tower at Duluth International Airport.

"The DLH provides vital service to the region," the letter said, for commercial, cargo and medical service flights, while housing Cirrus Aircraft and the 148th Fighter Wing of the Minnesota Air National Guard. The airport is "crucial to our economic and national security."

The airport serves Delta, United and Sun Country airlines, along with a local helicopter business and Lake Superior College's aviation program. Cirrus tests planes in Duluth, and international flights often stop at Monaco Air to clear customs and refuel.

The authority says it supports over 6,000 jobs and contributes roughly \$760 million annually to the economy.

"It really does touch the region as a whole, not just Duluth," said Natalie Baker, a spokeswoman for the Airport Authority.

The tower houses two different services, one for the Duluth airport and its surrounding airspace and one for airspace in much of northern Minnesota. The Terminal Radar Approach Control (TRACON) facility inside the tower extends service up to International Falls and guides aircraft to Range Regional Airport in Hibbing. TRACON saw a 22% increase in operations from 2022 to 2023. Air traffic control for Duluth handled 12% more departures and arrivals in that same time frame.

The 70-year-old tower does not meet current FAA design standards for line of sight, height and size. It leaks, and it needs new heating, cooling and ventilation systems, along with upgraded communication equipment.

Duluth and other greater Minnesota airports were recently awarded federal airport improvement grants. Duluth hasn't yet decided how it will use its \$1.7 million, but it received a similar amount last year and put it toward a hangar construction project —

the first new hangars the airport has built in more than 20 years. In St. Cloud, its \$1 million will also go toward an ongoing hangar project for private aircraft. Rochester's \$1.8 million will go toward replacement of an aviation ramp.

Staff writers Trey Mewes and Jenny Berg contributed to this story.

Jana Hollingsworth is a reporter covering a range of topics in Duluth and northeastern Minnesota for the Star Tribune. **Sign up** to receive the new North Report newsletter.

✉ jana.hollingsworth@startribune.com 📞 218-508-2450

VII. - A.

Resolution to Approve Sponsorship Agreement Between the Duluth Airport Authority and ALLETE Inc.

Executive Summary

Terms:

- January 1, 2024 – December 31, 2024, with the option to renew for one year through December 31, 2026
- \$16,000/year

Overview:

- ALLETE will continue to sponsor the four (4) charging stations, and screen at Baggage Claim 1.
- ALLETE Inc. will be able to utilize three (3) corporate covered parking spaces and two (2) passes to ClubDLH

**DULUTH AIRPORT AUTHORITY
SPONSORSHIP AGREEMENT
ALLETE, INC.**

PARTIES TO THIS AGREEMENT ARE the DULUTH AIRPORT AUTHORITY, the governmental authority organized and existing under the Laws of Minnesota, 1969, Chapter 57, hereafter referred to as “Authority and ALLETE, Inc., a Minnesota Corporation (hereinafter referred to as “ALLETE”).

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. The Authority is the operator of the Duluth International Airport (hereinafter “Airport”), including its passenger terminal facility (hereinafter “Terminal”) located in the City of Duluth, State of Minnesota and is in the business of promoting and managing aviation activity at the Airport; and
2. ALLETE desires to be a partner sponsor at the Airport and advertise its products and services within the Terminal. Authority desires to rent land to Lessee for its use as a vehicle and aircraft parking area.
3. DAA desires to have ALLETE as a partner sponsor and to provide a presence in the Terminal as described in more detail herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the parties agree as follows:

**SECTION 1
DEFINITIONS**

The following terms, as used in this Lease Agreement, shall have the meanings as ascribed to them thereunder.

- A. Airport shall mean the Duluth International Airport located in the City of Duluth, County of St. Louis, State of Minnesota.
- B. Terminal is the commercial passenger terminal located at the Duluth International Airport.
- C. Consent or Approval of Authority and of Executive Director: where this Agreement calls for the consent or approval of the Authority, the same shall be in the form of a resolution approved by the Authority as provided by law; where the consent or approval of the Executive Director is required, the same shall be evidenced by a written document dated and signed by him or her or by a person designated by him to sign such document.
- D. Sponsored Space shall refer to the approved branded areas for exclusive use as further described in Section 3 below, and shown on Exhibit A.

**SECTION 2
TERM**

Notwithstanding the date of this Agreement, this Agreement shall commence on January 1, 2024, and shall remain in effect for one (1) year until December 31, 2024, with the option to renew for one year through December 31, 2025. In the event that the Term expires and a new agreement has

not been executed, at the sole discretion and upon the prior written consent of the Executive Director, this Agreement shall continue in effect on a month-to-month basis under the terms and conditions set forth in this Agreement subject to the adjustment of fees.

SECTION 3 SPONSORED SPACE

- A. **Use of Baggage Claim LCD Screen.** DAA grants to ALLETE the use of a 47 inch LCD Screen identified on Exhibit A-2. ALLETE'S use of the LCD screen shall be exclusive except that the DAA may share use of the LCD screen for purposes of baggage claim flight information and other DAA information. ALLETE agrees that the LCD Screen shall solely be used for the purpose of promoting ALLETE'S products or services and shall not be used for any other purposes. ALLETE shall be responsible for all costs related to the design, concept and look and feel of the content used on the LCD Screen (the "LCD Content"). The LCD Content is subject to the prior written approval of DAA's Executive Director or designee (the "Executive Director"). ALLETE shall provide DAA with the LCD Content on a mutually agreeable form of media. DAA shall be responsible for the cost and continuing maintenance of the LCD Screen and uploading the LCD Content onto the LCD Screen.
- B. **Use of Airside Power Charging Towers.** DAA grants to ALLETE the exclusive use of the top branding portion of 4 power charging towers, locations identified on Exhibit A-1. ALLETE agrees that the power charging towers shall solely be used for the purpose of promoting ALLETE'S brand, products or services and shall not be used for any other purposes. ALLETE shall be responsible for all costs related to the design, concept and look and feel of the content used on the top of the power charging towers (the "Tower Content"). The Tower Content shall be displayed on a vinyl wrap and on the LED illuminated area on each of the four power charging towers. The Tower Content is subject to the prior written approval of DAA's Executive Director or designee (the "Executive Director"). ALLETE shall provide DAA with the Tower Content on a mutually agreeable form of media. The DAA shall offer ALLETE first right of refusal for the sponsorship of additional charging towers, should additional towers be installed. If ALLETE refuses, the DAA reserves the right to seek sponsorship from a separate entity for the additional towers. If ALLETE declines to sponsor additional charging towers, ALLETE's decision will be set out in writing and signed by an authorized agent, and delivered per the Notice requirements of Section 14 of this agreement

SECTION 4 SPONSORSHIP BENEFITS

Provided that this Agreement has not been previously terminated, and ALLETE is not in default hereunder, ALLETE shall have at no additional cost to ALLETE, the following:

ALLETE shall have the right to utilize three (3) assigned, corporate covered parking space. The location of the parking space shall be approved by the Executive Director.

ALLETE shall have the right to utilize two (2) business passes to the Corporate Business Centre that will be transferrable among ALLETE designees.

Exclusivity. The exclusivity granted in Paragraph 2 shall not restrict DAA in any way from selling advertising, ad space, sponsorships, or any other product or service to any third party on standard commercial terms in other locations, even if such third party is using such advertising, ad space, sponsorships, product or service for the solicitation or sale of products similar to or competitive with ALLETE.

SECTION 5 USE OF TRADEMARKS

- A. To the extent necessary to fulfill DAA's obligations herein, ALLETE hereby grants DAA a royalty-free, non-transferable worldwide license during the term of this Agreement to use the trademarks, service marks, logos, trade names, copyrighted content, hypertext links, domain names, icons, buttons, banners, graphic files associated with ALLETE products (in plain and/or logo form) and all derivations thereof (the "ALLETE Intellectual Property"). DAA shall obtain the prior written approval of ALLETE VP of Strategy & Innovation or designee (the "VP") of any use of any logos or marks associated with ALLETE (including, without limitation, advertisements, press releases, promotional e-mails, and/or website displays) by submitting the proposed material to the VP at least ten (10) business days' prior to the dissemination of such materials. A decision on such approval shall not be unreasonably withheld or delayed.

- B. In addition, DAA hereby grants ALLETE a royalty-free, non-transferable worldwide license during the term of this Agreement to use logos or marks associated with DAA or the Airport, subject to the following: ALLETE shall obtain the prior written approval of the Executive Director any use of any logos or marks associated with DAA or the Airport (including, without limitation, advertisements, press releases, promotional e-mails, and/or website displays) by submitting the proposed material to the Executive Director at least ten (10) business days prior to the dissemination of such materials. A decision on such approval shall not be unreasonably withheld or delayed.

SECTION 6 RESTRICTIONS ON ASSIGNMENT AND SUBLEASING SPACE

Restrictions on Assignment and Subleasing Space. ALLETE cannot sell, assign, transfer, or convey this Agreement, or assign, share, or sublet its use of the corporate business club (the "Space"), or any part thereof. ALLETE shall remain liable and responsible for performance under this Agreement. Any attempted sale, sharing, subletting, assignment, transfer, or conveyance of this Agreement or any portion of the Space in violation of this Paragraph shall constitute a breach of this Agreement.

**SECTION 7
REPRESENTATIONS AND WARRANTIES**

ALLETE represents and warrants to DAA that:

ALLETE owns or validly possesses the right to make, use, perform, sell and display ALLETE Intellectual Property at the Airport or to promote its presence at the Airport;

ALLETE has full power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder;

this Agreement has been duly authorized and approved by all necessary and proper corporate action on the part of ALLETE and is the valid, legally binding and enforceable obligation of ALLETE in accordance with its terms; and

the execution, delivery and performance of this Agreement by ALLETE does not conflict with, violate or constitute a default under any of the terms, conditions or provisions of any contract or other instrument to which ALLETE is a party or by which ALLETE is or may be bound.

**SECTION 8
INDEMNIFICATION**

ALLETE agrees for itself, to defend, indemnify, and hold harmless DAA, the City of Duluth and their respective officers, agents, servants and employees from and against any and all losses, claims, actions, demands, liabilities, judgments, penalties, injunctive relief, injury to person(s) or the Airport, costs, damages and expenses by reason of any actual or alleged act or omission of ALLETE or their employees, agents, or invitees in connection with or relating to

- A. ALLETE use of the Airport pursuant to this Agreement, or
- B. ALLETE infringement of any intellectual property, including without limitation copyright, patent, or the unauthorized use of a registered trademark or service mark or other violations of the property or proprietary rights, or the rights of privacy or publicity of any third party arising from, related to or in connection with this Agreement. Upon ten (10) days' written notice ALLETE will appear and defend all claims and lawsuits against DAA and/or the City growing out of any such injuries or damages. Neither DAA nor the City waives their respective immunities under state or federal law.

**SECTION 9
SPONSORSHIP FEE AND RELATED CONSIDERATION**

In consideration for the rights and benefited granted to ALLETE pursuant to this Agreement, ALLETE shall pay DAA an annual fee of \$16,000. The first payment shall be due upon execution of this Agreement. The remaining payment shall be due on or before the anniversary date of this agreement. The total Fees paid under this Agreement for the two-year period shall be \$32,000

**SECTION 10
INSURANCE**

ALLETE shall provide public liability insurance with limits not less than \$1,500,000 single limit, and shall provide for the following: liability for premises, operations and completed operations.

DAA and City shall be named as additional insureds on each liability policy. ALLETE shall provide a certificate of insurance evidencing such coverage and ALLETE shall notify DAA of a 30-day notice of cancellation, non-renewal or material change. DAA does not represent or guarantee that these types or limits of coverage are adequate to protect the ALLETE'S interests and liabilities.

**SECTION 11
TERMINATION**

DAA shall have the right to terminate this Agreement upon breach by ALLETE of any of its representations, warranties, covenants or obligations under this Agreement, which breach has not been cured within ten (10) business days after receipt of notice specifying such breach. In the event of a termination by DAA pursuant to this Paragraph, ALLETE shall forfeit all Fees paid and shall further be responsible for payment of the remaining portion of the Fees due under this Agreement. In addition, DAA shall have the right to pursue all other rights and remedies at law or in equity. ALLETE shall have the right to terminate this Agreement upon breach by DAA of any of its representations, warranties, covenants or obligations under this Agreement, which breach has not been cured within ten (10) business days after receipt of notice specifying such breach provided, however, that if such breach is incapable of being cured within such ten (10) business days after notice, and if DAA commences and diligently prosecutes the appropriate steps to cure such breach, no default shall exist so long as DAA is proceeding to cure such breach. In the event of termination by ALLETE pursuant to this Paragraph, ALLETE shall have no further responsibility for Fees due under this Agreement. In addition, ALLETE shall have the right to pursue all other rights and remedies at law or in equity.

Notwithstanding anything herein to the contrary, either party may terminate this Agreement at any time upon written notice given by the terminating party (for any reason, including the convenience of the terminating party) to the non-terminating party at least sixty (60) days prior to the effective date of the termination of this Agreement specified by the terminating party.

**SECTION 12
NO THIRD-PARTY RIGHTS**

This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and no other person shall acquire or have any rights created hereunder.

**SECTION 13
APPLICABLE LAW**

This Agreement, together with all of its articles, terms and provision, is made in the State of Minnesota and shall be construed and interpreted according to the laws of the State of Minnesota. The appropriate venue and jurisdiction for litigation hereunder shall be in a court located in St. Louis County, Minnesota. However, litigation in the federal courts involving the parties shall be in the appropriate federal court within the State of Minnesota. The parties to this Agreement waive any objections to the jurisdiction of these courts, whether based on convenience or otherwise.

**SECTION 14
NOTICES**

All written notices and/or communications hereunder shall be sent by U.S. mail postage prepaid, by overnight delivery, or personal delivery to the addresses indicated and shall be deemed delivered on the date received or refusal thereof.

Any notice provided for in this Agreement or otherwise to the Authority shall be sent to:

Duluth Airport Authority
Executive Director
Duluth International Airport
4701 Grinden Drive
Duluth, Minnesota 55811

Any notice to the Lessee hereunder shall be sent to:

ALLETE, Inc.
Attn: Vice President Marketing and Corporate Communications
30 West Superior Street
Duluth, MN 55802-2093

**SECTION 15
COUNTERPARTS**

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original as against any Party whose signature appears thereon, but all of which together shall constitute one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in “portable document format” (“.pdf”), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

**SECTION 16
ENTIRE AGREEMENT**

This Agreement, including exhibits constitutes the entire agreement between the parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto. No waiver consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements or representations, oral or written, not specified herein regarding this Agreement. ALLETE, by the signature below of its authorized representative, hereby acknowledges that ALLETE has read this Agreement, understands it and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and date shown below.

DATED: _____

DULUTH AIRPORT AUTHORITY

ALLETE, Inc.

By: _____
President

By: _____

Printed Name: _____

By: _____
Secretary

Title: _____

Exhibit A-1

DIAGRAM OF AIRSIDE POWER TOWERS
(2nd Floor – approximate location of towers – one by each gate)

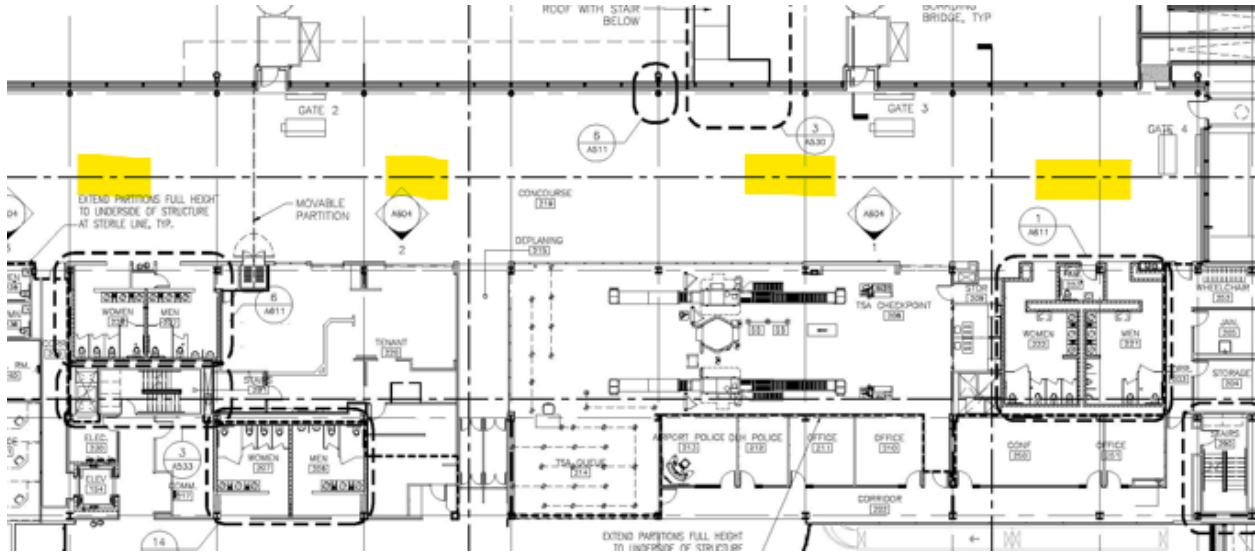
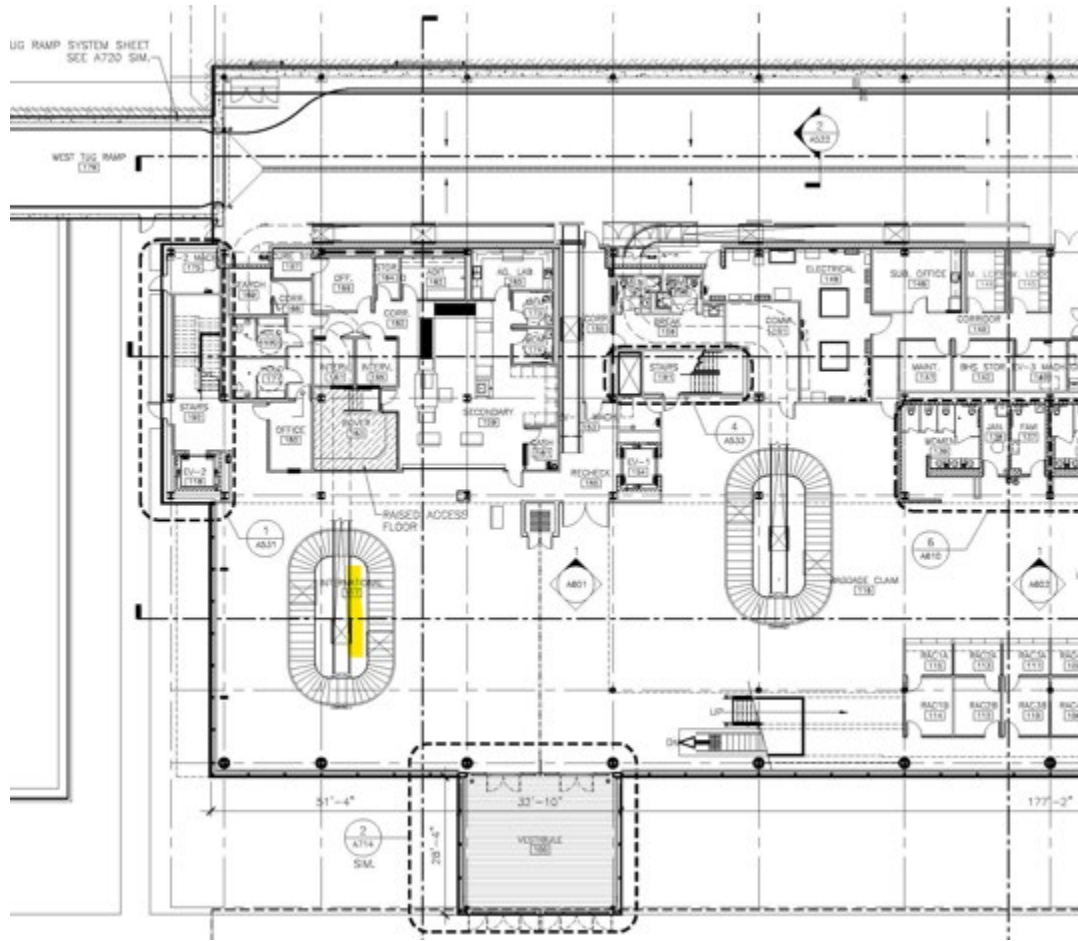


Exhibit A-2



VII. - B.

Duluth Airport Authority Resolution to Award Contract in the Amount of 83,624.00 to Parsons Electric for the Reconstruction of the Runway 27 Precision Approach Pathway Indicator (PAPI) Lights.

Terms:

- Estimated Administrative start date of May 31, 2024
- Estimated Construction start date of August 1, 2024
- 50 calendar days

Agreement Overview:

The contract is for the Runway 27 Precision Approach Path Indicator (PAPI) replacement project in the amount received from PEC Solutions dba Parsons Electric from bids received on February 8, 2024. Attached is a copy of the contract. This resolution includes the award of the contract. Execution of the contract will be contingent on verification and compliance of the necessary bonds and insurance certificate with contract requirements.

Background:

The existing Runway 27 PAPI system is reaching its useful life, and is in need of replacement. The project includes replacing the existing 4-box PAPI system with a new, LED PAPI system.

Bids were received using BidExpress by SEH on behalf of the City of Duluth by 2:00pm on February 8, 2024, for the above referenced project. Two contractors submitted bids: the low bid was below the engineer's estimate by 42 percent.

Engineer's Estimate	<u>\$145,072.50</u>
Parsons Electric	\$83,624.00
Neo Electrical Solutions	\$149,207.00

The Runway 27 Precision Approach Path Indicator (PAPI) replacement project will be funded at 90 percent by the Airport Improvement Program (AIP) funding. MnDOT Aeronautics will fund the project at 5 percent. The local contribution of the Runway 27 Precision Approach Path Indicator (PAPI) replacement project will be 5 percent. Construction is anticipated to begin by June 1, 2024.

**STANDARD FORM OF AGREEMENT
BETWEEN OWNER AND CONTRACTOR
ON THE BASIS OF A STIPULATED PRICE**

THIS AGREEMENT is by and between the Duluth Airport Authority
(Owner) and PEC Solutions dba Parsons Electric (Contractor).

Owner and Contractor hereby agree as follows:

ARTICLE 1 – WORK

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: 2024 Hermantown Hydraulics Demolition.

ARTICLE 2 – THE PROJECT

2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: Hermantown Hydraulics Building Demolition and Site Work Removals.

ARTICLE 3 – ENGINEER

3.01 The Project has been designed by Short Elliott Hendrickson Inc. (SEH®).

3.02 The Owner has retained SEH (Engineer) to act as Owner's representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

4.01 *Time of the Essence*

A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.02 *Contract Times: Dates*

A. All work shall be substantially completed in **50 calendar days** from start of construction. Construction is scheduled to be completed by August 31, 2024. No construction or contractor access to the project site will be allowed during the **DLH Airshow event on May 18-19 2024**.

4.03 *Liquidated Damages*

A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial loss if the Work is not completed within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with the Contract. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):

1. Substantial Completion: Contractor shall pay Owner \$500.00 for each day that expires after the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.02.A above for Substantial Completion until the Work is substantially complete.
2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay

Owner \$200.00 for each day that expires after such time until the Work is completed and ready for final payment.

3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive and will not be imposed concurrently.

4.04 *Special Damages*

- A. In addition to the amount provided for liquidated damages, Contractor shall reimburse Owner (1) for any fines or penalties imposed on Owner as a direct result of the Contractor's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract), until the Work is substantially complete.
- B. After Contractor achieves Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, Contractor shall reimburse Owner for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Work to be completed and ready for final payment (as duly adjusted pursuant to the Contract), until the Work is completed and ready for final payment.
- C. The special damages imposed in this paragraph are supplemental to any liquidated damages for delayed completion established in this Agreement.

ARTICLE 5 – CONTRACT PRICE

5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:

- A. Total of Lump Sum Amount and Unit Price Work (subject to final Unit Price adjustment): \$ 83,624.00

ARTICLE 6 – PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

- A. Subject to the provisions of SC-15.01.C, Owner shall make monthly progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications of Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract:
 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract:
 - a. 95 percent of Work completed (with the balance being retainage).
 - b. 95 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).

6.03 *Final Payment*

- A. Upon final completion and acceptance of the Work in accordance with Paragraph 15.06 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 15.06.

6.04 *Interest*

All amounts not paid when due shall bear interest at the rate of 4 percent per annum.

ARTICLE 7 – CONTRACT DOCUMENTS

7.01 *Contents*

- A. The Contract Documents consist of the following:
1. Addenda (numbers 00 00 1__ to 00 00 1__, inclusive).
 2. This Agreement (pages 00 52 00-1 to 00 52 00-6, inclusive).
 3. Performance Bond (Document 00 61 13).
 4. Payment Bond (Document 00 61 14).
 5. General Conditions (pages 00 72 00-1 to 00 72 00-66, inclusive).
 6. Supplementary Conditions (pages 00 73 00-1 to 00 73 00-9, inclusive).
 7. Specifications as listed in the table of contents of the Project Manual.
 8. The Drawings listed in the index located on Drawing Sheet G0.00.
 9. Exhibits to this Agreement (enumerated as follows).
 - a. Contractor's Bid (Document 00 41 00).
 - b. Documentation submitted by Contractor prior to Notice of Award (pages ___ to ___, inclusive).
 - c. Certificate of Insurance.
 10. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
 - a. Notice to Proceed.
 - b. Field Order(s).
 - c. Work Change Directive(s).
 - d. Construction Bulletin(s)
 - e. Proposal Request(s)
 - f. Change Order(s).
- B. The documents listed in Paragraph 7.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 7.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the General Conditions.

ARTICLE 8 – REPRESENTATIONS, CERTIFICATIONS, AND STIPULATIONS

8.01 *Contractor's Representations*

- A. In order to induce Owner to enter into this Contract, Contractor makes the following representations:
1. Contractor has examined and carefully studied the Contract Documents, and any data and reference items identified in the Contract Documents.
 2. Contractor has visited the Site, conducted a thorough, alert visual examination of the Site and adjacent areas, and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 3. Contractor is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.
 4. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or adjacent to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings, and (2) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings.
 5. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (3) Contractor's safety precautions and programs.
 6. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
 7. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
 8. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
 9. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
 10. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

8.02 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 8.02:
1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;
 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;

3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

ARTICLE 9 – MISCELLANEOUS

9.01 Terms

- A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

9.02 Assignment of Contract

- A. Unless expressly agreed to elsewhere in the Contract, no assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

9.03 Successors and Assigns

- A. Owner and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

9.04 Severability

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on February 20, 2024 (which is the Effective Date of the Contract).

OWNER:

Duluth Airport Authority

By: _____

Title: _____

[CORPORATE SEAL]

Attest: _____

Title: _____

Address for Giving Notices:

(If Owner is a corporation, attach evidence of authority to sign. If Owner is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of Owner-Contractor Agreement).

Designated Representative:

Name: _____

Title: _____

Address: _____

Phone: _____

Facsimile: _____

CONTRACTOR:

By: _____

Title: _____

[CORPORATE SEAL]

Attest: _____

Title: _____

Address for Giving Notices:

License No. _____
(Where Applicable)

Agent for service of process: _____

(If Contractor is a corporation or a partnership, attach evidence of authority to sign.)

Designated Representative:

Name: _____

Title: _____

Address: _____

Phone: _____

Facsimile: _____

END OF DOCUMENT

VII. - C.

Duluth Airport Authority
Short Elliott Hendrickson Inc. (SEH) Work Order 2024-1 for Construction Administration,
Observation, and Closeout for the Runway 27 Precision Approach Path Indicator (PAPI)
Replacement at the Duluth International Airport

Terms:

- Estimated start date of February 20, 2024
- Estimated end date of August 31, 2024

Fiscal Impact:

- Total Fee = \$49,800.00

Agreement Overview:

This work order includes construction administration, observation, and closeout services for the Runway 27 Precision Approach Path Indicator (PAPI) Replacement project at the Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 3/27/2023) between the DAA and SEH remain in effect for this work order.

Background:

The existing Runway 27 PAPI system is reaching its useful life and needs replacement. The PAPI system serves Runway 9/27, the main runway serving the Duluth International Airport and supports the 148th Fighter Wing of the Minnesota Air National Guard.

The Runway 27 PAPI Replacement project will mainly consist of the installation of a 4-box LED PAPI system at the Runway 27 end at Duluth International Airport in the location of the existing PAPI facility. The existing unit is an L-880 4-box, Style A system fed from a constant voltage circuit source. The existing circuit is currently fed with the existing barrier arrest system on Runway 27 and the existing Runway 27 Primary Windcone. The PAPI facility replacement includes removal of the existing PAPI equipment, minor grading, and the excavation and installation of foundations approximately 6 feet deep. No work on regulators within the vault is necessary, but aiming of new PAPI system and a flight check will be required.

This scope of engineering services includes construction administration services, construction observation, project closeout, as well as public outreach and project management. The Runway 27 PAPI Replacement project will be completed in June and July of 2024, simultaneous with the performance of airfield construction by the contractor for the separate Taxiway A Reconstruction – Phase 3 project. Phase A construction operations for this project—for construction required to occur within the Runway 9/27 Safety Area—will occur over a 60-hour weekend period and over 7 periods of night time work. Phase B construction for this project will consist of the remainder of project construction that can be performed outside of the Runway 9/27 Safety Area.

The FAA eligible areas are anticipated to be funded at 90 percent by the Federal Aviation Administration (FAA), the remaining 10% is anticipated to be covered at 5% from the DAA and another 5% from MnDOT.

**WORK ORDER
No. 2024-1
Between**

**The Duluth Airport Authority (DAA) (Owner) and
Short Elliott Hendrickson Inc. (SEH) (Consultant)**

Dated: February 20, 2024

**RUNWAY 27 PAPI REPLACEMENT (CONSTRUCTION ADMINISTRATION, OBSERVATION, AND
CLOSEOUT)
DULUTH INTERNATIONAL AIRPORT (DLH)**

This work order includes completion of the Runway 27 PAPI Replacement Project at the Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 03/27/2023) between the DAA and SEH remain in effect for this work order.

Estimated start date is February 20, 2024; estimated end date is August 31, 2024.

Compensation by the Owner to the Consultant shall be a lump sum amount of \$49,800.00.

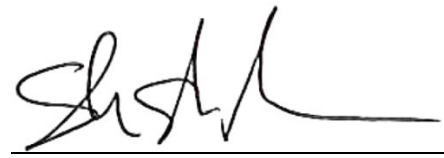
Descriptions of the services to be provided are included in Attachment A. Detailed estimates of labor cost and expenses are included in Attachment B.

Point of Contact: Shawn McMahon, Principal

APPROVED:

Duluth Airport Authority (DAA)

Short Elliott Hendrickson Inc.



Title: _____

Title: Principal

Date: _____

Date: February 20, 2024

Title: _____

Date: _____

ATTACHMENT A
Duluth International Airport (DLH)
Duluth Airport Authority (DAA)
Runway 27 PAPI Replacement
Scope of Work
(Construction Administration, Observation and Closeout)

General – The Runway 27 PAPI Replacement project includes installation of a 4-box LED PAPI system at the Runway 27 end. The PAPI facility replacement will require removal of the existing PAPI facility and installation of PAPI unit foundations approximately 7 feet deep. Conduit from the PAPI facility will need to be installed and wire will need to be pulled to the electrical power source at the electrical vault facility. **See Figure 1 for a project location sketch.** The scope of work includes all Construction Administration, Observation, Closeout Services, and Project Management and Stakeholder Coordination efforts.

The construction duration for project work is anticipated to be up to approximately 7 weeks between June 10 and July 26, 2024. Project construction operations will be performed simultaneously with the adjacent Taxiway A Reconstruction Phase 3 project. Project construction required within the Runway 9-27 Safety Area will be performed both over a 60-hour weekend period of construction and over 7 periods of nighttime work during which Runway 9-27 will be closed to airport operations.

This work will be performed under a Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant in accordance with Advisory Circular (AC) 150/5100-14, "Architectural, Engineering and Planning Consulting Services for Airport Grant Projects."

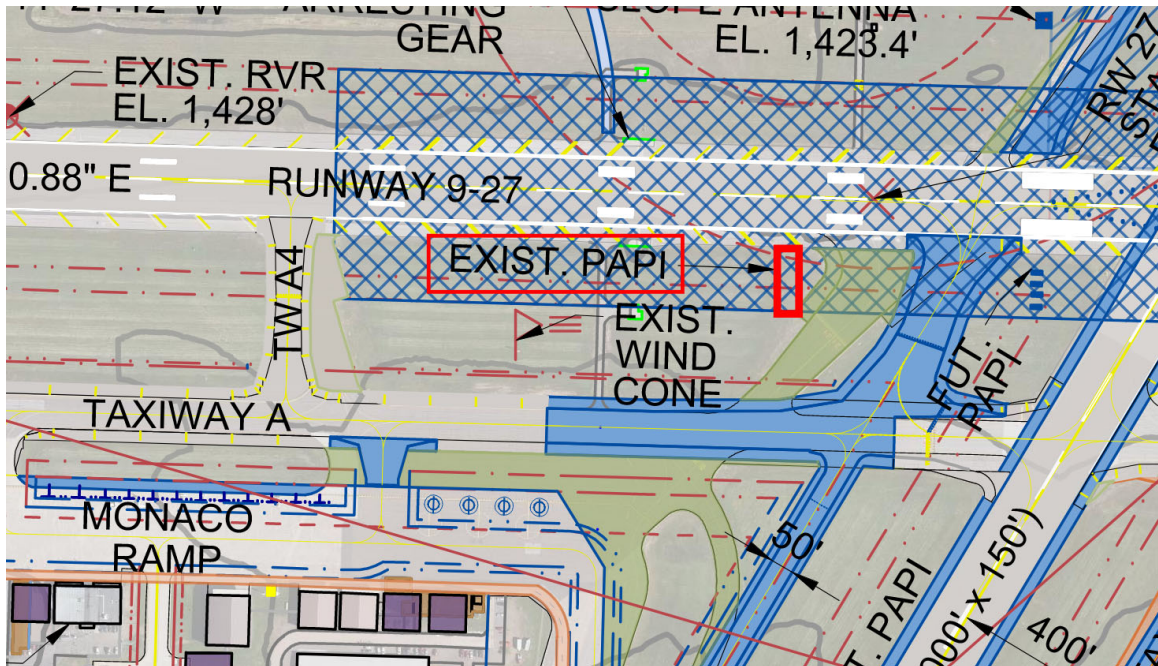


Figure 1

Project Deliverables – The project deliverables of this scope include the following:

1. Construction Administration Services
2. Construction Observation
3. FAA Reporting and Project Closeout
4. Project Management and Stakeholder Coordination

This work scope includes:

Work Element 1: Construction Administration Services

Specific tasks included with this work element include:

Task 1.1 – Scope Development – SEH will develop the project scope to ensure that necessary aspects of the project are included. Scope development includes coordination with the Sponsor and FAA for scope review, preparation of the final scope, fee proposal development, and contract negotiations. As part of the scope development, SEH will coordinate and obtain scope and fee estimates for subconsultant work including quality assurance testing, and electrical engineering services.

Task 1.2 – Project Administration Services – Office engineering staff, CAD personnel, and administrative staff will assist the construction project team as necessary during construction in response to requests for information, plan or specification clarifications, change orders, and other issues that may arise. Other administrative tasks include project set up and invoicing, internal meetings (bi-weekly), progress reports, subconsultant coordination and contract management.

Task 1.3 – Preparation of Project Files – SEH will develop construction contracts, review Contractor bonding information, and ensure that Sponsor insurance requirements have been met. SEH will coordinate routing and signature of the construction contracts by the DAA and the Contractor. Plans, contract documents, and technical specifications will be updated to include all addenda items issued during bidding. SEH will ensure that the Contractor is supplied with adequate copies of the construction plans and project manual.

Task 1.4 – Pre-Construction Activities – A pre-construction meeting will be held prior to construction. The purpose of the pre-construction meeting is to outline and discuss project requirements, administration procedures, airfield pavement surface closure procedures and requirements, schedules, project responsibilities and communication, Disadvantaged Business Enterprise (DBE) reporting, Contractor submittals, and other related MnDOT and FAA requirements, as necessary. SEH will administer the pre-construction meeting, develop the agenda, issue notifications, and record and distribute meeting minutes. Attendees will include the Sponsor, FAA, MnDOT, Contractor, Subcontractors (including quality control testing firm), SEH (Project Manager, Professional Engineer, and RPRs), and subconsultants (electrical engineer and quality assurance testing firm).

Task 1.5 – Construction Security Coordination – SEH will meet with DLH security personnel to ensure necessary security provisions included in the Construction Safety and Phasing Plan (CSPP) and the Safety Plan Compliance Document (SPCD) are communicated to Contractor personnel. Some of these security provisions include badging requirements for Contractor staff, airfield access point management, personnel training, and escort authority. Additionally, weekly coordination between SEH and DLH staff will occur while construction is occurring to identify and address any security or safety issues.

Task 1.6 – Permit Coordination – SEH will coordinate and review all applicable permits related to the project construction.

Task 1.7 – Submittal and Shop Drawing Review – SEH will review product and material data, shop drawings, concrete material testing and concrete mix design, bituminous

material testing and bituminous mix design, material samples, and other items required to be submitted by the Contractor.

SEH will review the Contractor supplied Safety Plan Compliance Narrative (SPCN) for compatibility with Duluth Airport operations and FAA safety procedures.

Task 1.8 – Construction Progress Meetings – On-site construction progress meetings will be held once a week while construction work is being performed on the airfield. The progress meetings will be attended by SEH staff, including the Project Manager, Professional Engineer, Resident Project Representative(s) (RPR) and other staff as needed or required. It is anticipated that four (4) progress meetings will occur during construction activities. This task includes preparatory and meeting documentation work.

Task 1.9 – Review of Quality Control Testing – All quality control test results performed by the Contractor will be monitored daily by SEH. In the event of a failed test result, the Contractor will be required to take corrective action and a retest will be taken until passing results are achieved. SEH will review all quality control testing performed by the Contractor for compliance with the specifications. Should any additional testing need to be accomplished, this will be coordinated with the Contractor who will be responsible for completion.

Task 1.10 – Review of Quality Assurance Testing – All quality assurance test results performed by the quality assurance testing subconsultant will be monitored on a daily basis and summarized by SEH. In the event of a failed test result, the Contractor will be required to take corrective action and a retest will be taken until passing results are achieved. SEH will review final quality assurance testing for compliance with the specifications. This will be conducted prior to submission to the FAA. Should any additional testing need to be accomplished, this will be coordinated with the subconsultant who will be responsible for completion.

Task 1.11 – Review of Contractor Payroll Forms – SEH will review weekly payroll reporting by the Contractor to ensure that wage rates comply with the federal and state wage requirements for the work being performed. The RPR will conduct payroll compliance monitoring of the Contractor's Davis-Bacon Act and DBE contractual obligations, including recording the Contractor/Subcontractor employees, type of work being completed, and conducting random interviews.

Task 1.12 – Calculate Construction Quantities – SEH will review quantities with the Contractor on a weekly basis. Any discrepancies or disagreements regarding completed quantities will be resolved in advance of any partial pay application process. Periodic cost estimates will be developed by SEH to ensure compliance with the overall project budget.

Task 1.13 – Pay Applications – SEH will prepare partial pay applications semi-monthly during construction, a final pay application including final agreed upon quantities for all work components, and a pay application releasing retainage to the Contractor once all closeout requirements have been met. Actual completed quantities will be tabulated for use in preparing all pay applications. It is anticipated that 2 pay applications will be submitted.

Task 1.14 – Daily Reports – SEH will maintain a daily log of the construction activities and maintain construction photos for record keeping purposes.

Task 1.15 – Weekly Reports – SEH will prepare a weekly status report. The report will be developed by the RPR, reviewed by the Project Manager, and submitted to the Sponsor via electronic submittal (PDF).

Task 1.16 – Change Orders / Supplemental Agreements – SEH shall review and provide recommendations to the Sponsor of proposed changes to the contract documents, technical specifications and plans. As necessary, SEH will issue supplemental details, design data, drawings and modifications to Contractor for change order pricing. The Project Manager will prepare change orders/supplemental agreements.

All Change Orders and Supplemental Agreements require FAA approval prior to being issued. In the case where new materials may be required in addition to those in the bid documents, new bid items will be added to the project and a Proposal Request from the Contractor will be required.

Task 1.17 – Final Inspection and Punch List – SEH will conduct a final inspection after completion of the project. SEH will issue notifications and prepare a punch list of any outstanding items requiring correction. A tracking document will be prepared and progress on the punch list items will be recorded until all issues are resolved.

Task 1.18 – As-Built Drawings – SEH will utilize Contractor and engineering drawings during construction to complete as-built drawings for the project. The as-built drawings will incorporate any modifications or additions/subtractions that occurred during construction. Three (3) final plan sets will be plotted and distributed to the Duluth Airport Authority (DAA) for records. Electronic (PDF) copies of the as-built drawings will be provided to DAA, MnDOT and FAA.

Task 1.19 – Warranty Inspection Site Visit – SEH will complete a warranty inspection site visit prior to the expiration of the warranty period to identify and document any issues to be resolved by the Contractor as party of the warranty guarantee.

Work Element 2: Construction Observation

Construction is expected to occur during normal construction hours of 7:00 AM until 7:00 PM, Monday through Saturday for construction work to be performed outside of the Runway 9-27 Safety Area. The contractor will have 7 calendar days of nightwork from 11:00 PM until 6:00 AM and one 60-hour weekend closure within which to perform construction within the Runway 9-27 Safety Area. Specific tasks included with this work element include:

Task 2.1 – Construction Observation – SEH will provide daily construction observation for the duration of construction on a part time basis, to supplement construction observation services provided by the electrical design subconsultant. The construction duration for project work is anticipated to be up to approximately 7 weeks between June 10 and July 26, 2024, with intermittent construction operations during this period.

RPRs and the Project Manager will be available to assist in ensuring that construction is performed in accordance with contract documents during this time. The RPRs will document and record construction progress through a daily journal. A collective weekly progress report will be developed at the end of the week and submitted to the Sponsor, and other individuals/organizations as needed. During critical elements of construction, part-time construction observation will be performed by the Project Manager.

Further duties of the on-site engineering staff include monitoring the Contractor's schedule, safety plan implementation, security plan compliance, general communication, adherence to technical specifications, and project drawing execution.

During the estimated 7-week project duration, it is anticipated this person/position will complete periodic site visits to complete the required work. The RPRs will also assist with the 7 days of nightwork and the 60-hour weekend closure associated with construction operations.

Project Manager – The project manager will be on-site to support RPRs as professional engineer and provide tenant and client communication. It is anticipated the PM will be on site for approximately (2) calendar days (approximately 2 hours per day), including travel time. The PM will focus efforts on RFI resolution, project guidance, overall site inspection and observation, client communication, and overall quality control.

Task 2.2 – Construction Coordination – The Project Manager will provide constant communication and availability to both RPRs during the 7-week project duration and the weeks before and after project completion (approximately 1 hour per week for 7 weeks). The coordination will include RFI resolution, project acceptance, phone and email communication. The PM will be available as a resource for project related issues from both the client and the Contractor for swift resolution.

Work Element 3: FAA Reporting and Project Closeout

Task 3.1 – FAA Quarterly Reports – SEH will complete the required FAA quarterly reports starting with grant acceptance through grant closeout.

Task 3.2 – FAA Closeout Report – SEH will complete the required FAA closeout report following completion of the project to reconcile all project related costs and closeout the FAA grant for the work.

Task 3.3 – Project Closeout – SEH will work with the Contractor to ensure that all necessary closeout documents are submitted by the Contractor. These include, but are not limited to, IC-134 documentation, lien waivers, wage rate compliance, and other documentation as identified in the specifications.

Task 3.4 – Disadvantaged Business Enterprise (DBE) Requirements – SEH will review and submit the required documentation to confirm the Contractor's compliance with the DBE program and goals for this project or provide evidence of "good faith efforts" to meet DBE requirements. Additionally, this task will include reporting updates to the Duluth Airport Authority's DBE Program using the FAA's Civil Rights online system.

Work Element 4: Project Management and Stakeholder Coordination – This task includes overall project management and stakeholder coordination for Work Elements 1 through 3 noted above. Project Management includes administration of the project, agency and Sponsor meetings, airfield user and tenant outreach meetings, and related project administration tasks.

Task 4.1 – Duluth Airport Authority (DAA) Meetings – This task includes attendance at monthly DAA Board meetings to provide project updates to the DAA Board of Directors. The project will require updates at one (1) meeting. Attendance would include the Principal, Project Manager and Planner.

Task 4.2 – DLH Tenant Meetings – This task includes attendance at bi-weekly DLH tenant meetings to keep airport users apprised of the project and schedule. It is anticipated SEH will attend one (1) tenant meetings.

Task 4.3 – DLH Airfield User Meetings – This task includes specific meetings with airlines, airfield businesses, MN Air National Guard, and other airfield users, prior to and during construction to provide updates on the status of the project and address any issues or concerns. This task also includes coordination with local FAA tech ops regarding the project schedule, any impacts to FAA equipment, and other coordination items.

Task 4.4 – FAA and Air Traffic Control Tower (ATCT) Meetings – This task includes meetings with local FAA and Air Traffic Control Tower (ATCT) staff to coordinate work with FAA staff and other FAA-related projects. Meetings with the ATCT will be held on an as-needed basis to coordinate NOTAMs and update ATCT staff on the status of the construction progress and upcoming schedule. SEH is anticipating one (1) virtual meetings. Meetings would be attended by project manager, project graduate engineer, and airport planner.

Task 4.5 – Reimbursable Agreement Coordination – DAA will be completing a reimbursable agreement as part of this project. This reimbursable agreement will be to coordinate work with the FAA to flight check the replacement Runway 27 PAPI installation.

Task 4.6 – Overall Project Management – This task includes project coordination and administration, including Sponsor and agency communication, internal meetings, subconsultant oversight, progress reports, budget updates and monthly invoices over the expected 7-week project duration.

Subconsultants performing work under this proposal include the following:

1. Braun Intertec: Construction testing will be performed by Braun Intertec. See attached proposal dated February 7, 2024.
2. Burns & McDonnell: Electrical construction administration will be performed by Burns & McDonnell. See attached proposal dated February 7, 2024.

ATTACHMENT B
ESTIMATED FEES AND EXPENSES
RUNWAY 27 PAPI REPLACEMENT
CONSTRUCTION ADMINISTRATION, OBSERVATION, AND CLOSEOUT
DULUTH INTERNATIONAL AIRPORT (DLH)
Duluth Airport Authority (DAA)
Duluth, Minnesota

Task No.	Task Description	Principal	Project Manager	Project Engineer	RPR	Senior CAD Technician	Administrative Assistant
Construction Administration Services							
1.1	Scope Development		2	1			
1.2	Project Administration Services			1			
1.3	Preparation of Project Files						1
1.4	Pre-Construction Activities		2	2	2		
1.5	Construction Security Coordination		1		1		
1.6	Permit Coordination			1			
1.7	Submittal and Shop Drawing Review		1	1			
1.8	Construction Progress Meetings		6	6			1
1.9	Review of Quality Control Testing		1				
1.10	Review of Quality Assurance Testing		1				
1.11	Review of Contractor Payroll Forms				2		1
1.12	Calculate Construction Quantities		1	2			
1.13	Pay Applications		1	2			
1.14	Daily Reports		1	4			
1.15	Weekly Reports		1				1
1.16	Change Orders / Supplemental Agreements			1			
1.17	Final Inspection and Punch List		1	2			
1.18	As-Built Drawings			2		2	
1.19	Warranty Inspection Site Visit		1	1			
Construction Observation							
2.1	Construction Observation		2		40		
2.2	Construction Coordination		2				
FAA Reporting and Project Closeout							
3.1	FAA Quarterly Reports			1			1
3.2	FAA Closeout Report		2	2			1
3.3	Project Closeout		1	2			
3.4	DBE Requirements			1			1
Public Outreach and Project Management							
4.1	Duluth Airport Authority (DAA) Meetings	1	1				
4.2	DLH Tenant Meetings		1				
4.3	DLH Airfield User Meetings		1	1			
4.4	FAA and ATCT Meetings		1		1		
4.5	Reimbursable Agreement Coordination		2		2		
4.6	Overall Project Management		2				
	Total Hours Per Labor Category	1	35	33	48	2	7

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Principal	1	\$82.21	\$82.21
Project Manager	35	\$64.50	\$2,257.50
Project Engineer	33	\$38.49	\$1,270.17
RPR	48	\$48.64	\$2,334.72
Senior CAD Technician	2	\$45.99	\$91.98
Administrative Assistant	7	\$33.91	\$237.37
Total Direct Labor Costs:	126		\$6,273.95
Direct Salary Costs plus Overhead (90.00%)			\$11,920.51
Total Labor Costs			\$18,194.46
Fee (15%) on Total Labor Costs:			\$2,729.17

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Electrical Engineering (Construction Administration) - Subconsultant (Burns & McDonnell)	1	\$22,000.00	\$22,000.00
Quality Assurance Testing - Subconsultant (Braun Intertec)	1	\$4,130.00	\$4,130.00
Employee Mileage	400	\$0.67	\$268.00
Employee Per Diem	8	\$200.00	\$1,600.00
Employee Auto Allowance	8	\$16.00	\$128.00
Computer Charges	126	\$5.55	\$699.30
Reproductions / Miscellaneous	1	\$100.00	\$100.00
Total Expenses			\$28,925.30

SUMMARY:

Total Labor Costs + Expenses + Fee	\$49,848.93
Estimated Total	\$49,800.00

Task No.	Task Description	Project Manager (Associate)	Elec. Engr (Associate)	Elec. Engr. (Senior)	CADD (Staff)	Admin. Assist. (General Office)	Task Hours	Task Cost
1	Construction Administration Services							
1.1	SCOPE DEVELOPMENT - NO SERVICES						0	\$ -
1.2	PROJECT ADMINISTRATION SERVICES							
	RFI's / CO's	1		2	2		5	\$ 910.00
	Internal Meetings (Bi-Weekly) - assume 4 virtual attended by PM and EE	2		2			4	\$ 840.00
1.3	PREPARATION OF PROJECT FILES							
	Update Documents to IFC	1	1	2	3		7	\$ 1,320.00
	Compile / Issue IFC Documents	1		1		1	3	\$ 515.00
1.4	PRE-CONSTRUCTION ACTIVITIES							
	Pre-Construction Meeting Participation - assume 1 hr virtual attended by PM and EE	1		1			2	\$ 420.00
1.5	CONSTRUCTION SECURITY COORDINATION - NO SERVICES						0	\$ -
1.6	PERMIT COORDINATION - NO SERVICES						0	\$ -
1.7	SUBMITTAL AND SHOP DRAWING REVIEW							
	Submittal Review	2		5		1	8	\$ 1,505.00
1.8	CONSTRUCTION PROGRESS MEETINGS							
	Progress Meeting Participation - assume 30 min virtual attended by PM and EE	3		3			6	\$ 1,260.00
1.9	REVIEW OF QUALITY CONTROL TESTING - NO SERVICES						0	\$ -
1.10	REVIEW OF QUALITY ASSURANCE TESTING							
	Review P-610 Test Results	1		0.5			1.5	\$ 325.00
	Review Electrical Performance Test Results / Troubleshooting	1	2	4			7	\$ 1,510.00
1.11	REVIEW OF CONTRACTOR PAYROLL FORMS - NO SERVICES						0	\$ -
1.12	CALCULATE CONSTRUCTION QUANTITIES							
	Support Quantity Tracking / Questions	1		2			3	\$ 610.00
1.13	PAY APPLICATIONS - NO SERVICES						0	\$ -
1.14	DAILY REPORTS - NO SERVICES						0	\$ -
1.15	WEEKLY REPORTS - NO SERVICES						0	\$ -
1.16	CHANGE ORDERS / SUPPLEMENTAL AGREEMENTS							
	Support CO's and SA's	1		2			3	\$ 610.00
1.17	FINAL INSPECTION AND PUNCHLIST							
	Support Final Inspection and Punchlist	0.5		1			1.5	\$ 305.00
1.18	AS-BUILT DRAWINGS							
	Develop As-Built Drawings			2	3	0.5	5.5	\$ 877.50
1.19	UPDATE AIRPORT LAYOUT PLAN (ALP) - NO SERVICES						0	\$ -
1.20	WARRANTY INSPECTION SITE VISIT							
	Support Warranty Inspection - no travel included	0.5		2.5			3	\$ 590.00

Task No.	Task Description	Project Manager (Associate)	Elec. Engr (Associate)	Elec. Engr. (Senior)	CADD (Staff)	Admin. Assist. (General Office)	Task Hours	Task Cost
2	Construction Observation							
2.1	CONSTRUCTION OBSERVATION							
	Civil / Project Manager Site Visit	6					6	\$ 1,380.00
	Electrical Engineer Site Visit	1		10			11	\$ 2,130.00
	Troubleshooting Site Visit - Electrical Engineer	1	1	10			12	\$ 2,390.00
2.2	PROJECT MANAGER - NO SERVICES						0	\$ -
3	FAA Reporting and Project Closeout							
3.1	FAA QUARTERLY REPORTS - NO SERVICES						0	\$ -
3.2	FAA CLOSEOUT REPORT	1		1		0.5	2.5	\$ 467.50
3.3	PROJECT CLOSEOUT - NO SERVICES						0	\$ -
3.4	DBE REQUIREMENTS - NO SERVICES						0	\$ -
4	Project Management and Stakeholder Coordination							
4.1	DULUTH AIRPORT AUTHORITY (DAA) MEETINGS - NO SERVICES						0	\$ -
4.2	DLH TENANT MEETINGS - NO SERVICES						0	\$ -
4.3	DLH AIRFIELD USER MEETINGS - NO SERVICES						0	\$ -
4.4	FAA AND AIR TRAFFIC CONTROL TOWER (ATCT) MEETINGS - NO SERVICES						0	\$ -
4.5	REIMBURSABLE AGREEMENT COORDINATION	1		1			2	\$ 420.00
4.6	OVERALL PROJECT MANAGEMENT - NO SERVICES						0	\$ -
5	BMCD Management & Administration							
5.1	Project Management	4				1	5	\$ 1,015.00
	Burns & McDonnell Labor Subtotal	30	4	52	8	4	98	\$ 19,400.00
6	Other Direct Costs							
6.1	Reproduction Costs							\$ 100.00
6.2	Travel & Expenses							\$ 2,500.00
	Grand Total							\$ 22,000.00

February 7, 2024

Proposal QTB191510

Jarrold Nelson, PE
SEH, Inc.
3535 Vadnais Center Drive
Saint Paul, MN 55110

Re: Proposal for Construction Materials Testing Services
Runway 27 Precision Approach Path Indicator (PAPI) Replacement
Duluth International Airport
4701 Grinden Drive
Duluth, Minnesota

Dear Mr. Nelson:

Braun Intertec Corporation respectfully submits this proposal to provide material testing services for the Runway 27 Precision Approach Path Indicator (PAPI) replacement project at the Duluth International Airport.

We are completing the geotechnical evaluation for this project, so we have a unique understanding of the site and construction challenges. We can aid the construction team by applying this experience and transferring our knowledge developed during the design phase which will provide professional continuity to the construction. Our work on the project to date gives us familiarity with the project team and design development which allows us to understand some of the considerations used when developing the project's design.

Our Understanding of Project

The project consists of the replacement of the PAPI lighting system along Runway 3-27. The new PAPI will be located southwest of the intersection of Runway 3-27 and Taxiway C. We understand the new PAPI will consist of four, individual light units supported on 36-inch diameter concrete footings to depths of 84 inches. A 6-inch concrete slab will be constructed around the perimeter of the light units.

Available Project Information

This proposal is based on our review of the documents described below. We will submit a revised scope of services and cost if the project changes.

- Project plans and specifications prepared by SEH and dated January 18, 2024.
- Communications with Mr. Nelson, SEH, regarding the scope of the project.

Scope of Services

Services are performed under the direction of a licensed professional engineer. Observation and testing services will be performed on a full-time or an on-call, as-needed basis as requested and scheduled by you or your on-site project representative. After reviewing available information to determine compliance with project plans and/or specifications and other design or construction documents, our scope of services for the project will be limited to the tasks defined below.

Soil Related Services

- Observe and evaluate the soils exposed in the bottoms of excavations to determine if the soils are similar to those encountered with the geotechnical evaluation and suitable for support concrete foundations and slabs. Our engineer can provide consultation for conditions that appear to differ from the geotechnical evaluation.
- Measure the in-place dry density, moisture content and relative compaction of aggregate base course for compliance with the project documents. This task includes performing laboratory Proctor tests to provide maximum dry densities from which the relative compaction of fill can be determined, as well as the use of a nuclear density gauge to measure in-place dry densities and moisture contents.

Concrete Related Services

- Sample and test fresh concrete associated with concrete foundations and slabs for compliance with the project documents and cast test cylinders for laboratory compressive strength testing. We assume that we will be able to appropriately dispose of excess concrete (and associated wash water) on site at no additional cost to us.
- Measure and report the compressive strength of the concrete test cylinders for compliance with the project documents. A set of three cylinders will be tested at 28 days for each set cast.

Consulting, Project Communication and Reporting Services

- Project management, including scheduling of our field personnel.
- Review observation and test reports and communicating with you and the parties you may designate such as the project contractor(s), and other project team members, as needed.
- Transmit test results to the project team on a weekly basis.

Scheduling Assumptions

The costs associated with the proposed scope of services were estimated using the following assumptions. If the construction schedule is modified or the contractor completes the various phases of the project at different frequencies or durations than shown in this proposal, we may need to adjust the overall cost accordingly. The scope of work and number of trips required to perform these services are as shown in the attached table. Notable assumptions in developing our estimate include:

- We assume 1 trip to observe the excavation for the light unit foundations will be required.
- We assume 1 trip for nuclear density gauge testing will be required.
- We assume 2 trips for concrete testing will be required.
- We assume the project engineer of record will review and approve contractor's quality control submittals and test results.
- You, or others you may designate, will provide us with current and approved plans and specifications for the project. Modification to these plans must also be sent to us so we can review their incorporation into the work.
- We will require a minimum of 24 hours' notice for scheduling inspections for a specific time. Shorter than 24 hours' notice may impact our ability to perform the requested services, and the associated impacts will be the responsibility of others.

If the work is completed at different rates than described above, this proposal should be revised. If the pace of construction is different than described above, this proposal should be revised.

Cost and Invoicing

We will furnish the services described herein for an estimated fee of \$4,130. **Our estimated costs are based on industry averages for construction production. Depending on the contractor's performance, our costs may be significantly reduced or slightly higher than estimated.** A tabulation showing our estimated hourly and/or unit rates associated with our proposed scope of services is also attached. The actual cost of our services will be based on the actual units or hours expended to meet the requirements of the project documents.

This cost estimate was developed with the understanding that the scope of services defined herein will be required and requested during our normal work hours of 6:00 a.m. to 4:00 p.m., Monday through Friday. Services that we are asked to provide to meet the project requirements or the contractor's construction schedule **outside** our normal business hours will be invoiced using an overtime rate factor. The factor for services provided outside our normal work hours or on Saturday will be 1.25 times the listed hourly rate for the service provided. The factor for services provided on Sunday or legal holidays will be 1.5 times the listed hourly rate for the service provided. We have not included premiums for overtime in our cost estimate; however, we recommend that allowances and contingencies be made for overtime charges based on conversations with the contractor. You will be billed only for services provided on a time and materials basis.

Because our services are directly controlled by the schedule and performance of others, the actual cost may vary from our estimate. It is difficult to project all the services and the quantity of services that may be required for any project. If services are required that are not discussed above, we will provide them at the rates shown in the attached table or, if not shown, at our current Schedule of Charges. We will invoice you monthly.

General Remarks

We will be happy to meet with you to discuss our proposed scope of services further and clarify the various scope components.

We appreciate the opportunity to present this proposal to you. After reviewing this proposal, **please sign and return one copy to our office as notification of acceptance and authorization to proceed.** If anything in this proposal is not consistent with your requirements, please let us know immediately. Braun Intertec will not release any written reports until we have received a signed agreement.

The proposed fee is based on the scope of services described and the assumption that our services will be authorized within 30 days and that others will not delay us beyond our proposed schedule.

We include the Braun Intertec General Conditions, which provide additional terms and are a part of our agreement.

To have questions answered or schedule a time to meet and discuss our approach to this project further, please contact Aaron Tast at 320.980.3504 (atast@braunintertec.com).

Sincerely,

BRAUN INTERTEC CORPORATION



Colin L. Anderson, PE
Project Engineer



Aaron M. Tast
Aviation Account Leader, Senior Project Manager



Joseph C. Butler, PE
Business Unit Leader, Senior Engineer

Attachments:
Cost Estimate Table
General Conditions – CMT (1/1/18)

The proposal is accepted. We will reimburse you in accordance with this agreement, and you are authorized to proceed:

Authorizer's Firm

Authorizer's Signature

Authorizer's Name (please print or type)

Authorizer's Title

Date

Project Proposal

QTB191510

Runway 27 PAPI Replacement

Client:

Short Elliott Hendrickson, Inc.
Jarrod Nelson
3535 Vadnais Center Dr
Saint Paul, MN 55110

Work Site Address:

Duluth International Airport
4701 Grinden Drive
Duluth, MN 55811

Service Description:

Inspection and Testing Services

	Description	Quantity	Units	Unit Price	Extension
Phase 1	Testing & Inspection				
Activity 1.1	Soils				\$1,030.00
206	Excavation Observations	4.00	Hour	115.00	\$460.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	PAPI Foundations	1.00	Trips	4.00	4.00
207	Compaction Testing - Nuclear	4.00	Hour	100.00	\$400.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Subgrade Preparation	1.00	Trips	4.00	4.00
1308	Nuclear moisture-density meter charge, per hour	4.00	Each	25.00	\$100.00
1861	CMT Trip Charge	2.00	Each	35.00	\$70.00
Activity 1.2	Concrete				\$1,640.00
260	Concrete Observations	2.00	Hour	115.00	\$230.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Concrete Bases & Foundations	2.00	Trips	1.00	2.00
261	Concrete Testing	8.00	Hour	100.00	\$800.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Concrete Bases & Foundations	2.00	Trips	4.00	8.00
278	Concrete Cylinder Pick up	2.00	Hour	95.00	\$190.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Cylinder Pickup	2.00	Trips	1.00	2.00
1364	Compressive strength of concrete cylinders (ASTM C 39), each	8.00	Each	35.00	\$280.00
1861	CMT Trip Charge	4.00	Each	35.00	\$140.00
Activity 1.3	Project Management & Reporting				\$1,460.00
238	Project Assistant	1.00	Hour	100.00	\$100.00
226	Project Manager	2.00	Hour	165.00	\$330.00
228	Senior Project Manager	4.00	Hour	195.00	\$780.00
1862	SPM Trip Charge	1.00	Each	250.00	\$250.00
	Phase 1 Total:				\$4,130.00

Proposal Total:	\$4,130.00
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Section 1: Agreement

1.1 Our agreement with you consists of these General Conditions and the accompanying written proposal or authorization ("Agreement"). This Agreement is the entire agreement between you and us. It supersedes prior agreements. It may be modified only in a writing signed by us, making specific reference to the provision modified.

1.2 The words "you," "we," "us," and "our" include officers, employees, and subcontractors.

1.3 In the event you use a purchase order or other documentation to authorize our scope of work ("Services"), any conflicting or additional terms are not part of this Agreement. Directing us to start work prior to execution of this Agreement constitutes your acceptance. If, however, mutually acceptable terms cannot be established, we have the right to terminate this Agreement without liability to you or others, and you will compensate us for fees earned and expenses incurred up to the time of termination.

Section 2: Our Responsibilities

2.1 We will provide Services specifically described in this Agreement. You agree that we are not responsible for services that are not expressly included in this Agreement. Unless otherwise agreed in writing, our findings, opinions, and recommendations will be provided to you in writing. You agree not to rely on oral findings, opinions, or recommendations without our written approval.

2.2 In performing our professional services, we will use that degree of care and skill ordinarily exercised under similar circumstances by reputable members of our profession practicing in the same locality. If you direct us to deviate from our recommended procedures, you agree to hold us harmless from claims, damages, and expenses arising out of your direction. If during the one year period following completion of Services it is determined that the above standards have not been met and you have promptly notified us in writing of such failure, we will perform, at our cost, such corrective services as may be necessary, within the original scope in this Agreement, to remedy such deficiency. Remedies set forth in this section constitute your sole and exclusive recourse with respect to the performance or quality of Services.

2.3 We will reference our field observations and sampling to available reference points, but we will not survey, set, or check the accuracy of those points unless we accept that duty in writing. Locations of field observations or sampling described in our report or shown on our sketches are based on information provided by others or estimates made by our personnel. You agree that such dimensions, depths, or elevations are approximations unless specifically stated otherwise in the report. You accept the inherent risk that samples or observations may not be representative of things not sampled or seen and

further that site conditions may vary over distance or change over time.

2.4 Our duties do not include supervising or directing your representatives or contractors or commenting on, overseeing, or providing the means and methods of their services unless expressly set forth in this Agreement. We will not be responsible for the failure of your contractors, and the providing of Services will not relieve others of their responsibilities to you or to others.

2.5 We will provide a health and safety program for our employees, but we will not be responsible for contractor, owner, project, or site health or safety.

2.6 You will provide, at no cost to us, appropriate site safety measures as to work areas to be observed or inspected by us. Our employees are authorized by you to refuse to work under conditions that may be unsafe.

2.7 Unless a fixed fee is indicated, our price is an estimate of our project costs and expenses based on information available to us and our experience and knowledge. Such estimates are an exercise of our professional judgment and are not guaranteed or warranted. Actual costs may vary. You should allow a contingency in addition to estimated costs.

Section 3: Your Responsibilities

3.1 You will provide us with prior environmental, geotechnical and other reports, specifications, plans, and information to which you have access about the site. You agree to provide us with all plans, changes in plans, and new information as to site conditions until we have completed Services.

3.2 You will provide access to the site. In the performance of Services some site damage is normal even when due care is exercised. We will use reasonable care to minimize damage to the site. We have not included the cost of restoration of damage in the estimated charges.

3.3 If we notify you that radiographic or gamma ray equipment or other nuclear testing or measuring device will be used, you will be responsible for the cooperation of your employees and your contractors in observing all radiation safety standards.

3.4 You will notify us of any knowledge or suspicion of the presence of hazardous or dangerous materials present on any work site. If we observe or suspect the presence of contaminants not anticipated in this Agreement, we may terminate Services without liability to you or to others, and you will compensate us for fees earned and expenses incurred up to the time of termination.

3.5 The time our field personnel spend on the job site depends upon the scheduling of the work we are observing or testing. You agree that any changes in scheduling may result in additional

costs and agree to pay for those services at the rates listed in our cost estimate.

3.6 You agree to include us as an indemnified party in your contracts, if any, for work by others on the project, protecting us to the same degree as you are protected. You agree to list us as an Additional Insured under your liability insurance policies and to require subrogation be waived against us and that we will be added as an Additional Insured on all policies of insurance, including any policies required of your contractors or subcontractors, covering any construction or development activities to be performed on the project site.

Section 4: Reports and Records

4.1 Unless you request otherwise, we will provide our report(s) in an electronic format.

4.2 Our reports, notes, calculations, and other documents and our computer software and data are instruments of our service to you, and they remain our property. We hereby grant you a license to use the reports and related information we provide only for the related project and for the purposes disclosed to us. You may not transfer our reports to others or use them for a purpose for which they were not prepared without our written approval. *You agree to indemnify, defend, and hold us harmless from claims, damages, losses, and expenses, including attorney fees, arising out of such a transfer or use.*

4.3 If you do not pay for Services in full as agreed, we may retain work not yet delivered to you and you agree to return to us all of our work that is in your possession or under your control.

4.4 Electronic data, reports, photographs, samples, and other materials provided by you or others may be discarded or returned to you, at our discretion, unless within 15 days of the report date you give us written direction to store or transfer the materials at your expense.

Section 5: Compensation

5.1 You will pay for Services as stated in this Agreement. If such payment references our Schedule of Charges, the invoicing will be based upon the most current schedule. An estimated amount is not a firm figure. You agree to pay all sales taxes and other taxes based on your payment of our compensation. Our performance is subject to credit approval and payment of any specified retainer.

5.2 You will notify us of billing disputes within 15 days. You will pay undisputed portions of invoices upon receipt. You agree to pay interest on unpaid balances beginning 30 days after invoice dates at the rate of 1.5% per month, or at the maximum rate allowed by law.

5.3 If you direct us to invoice a third party, we may do so, but you agree to be responsible for our compensation unless the third party is

creditworthy (in our sole opinion) and provides written acceptance of all terms of this Agreement.

5.4 Your obligation to pay for Services under this Agreement is not contingent on your ability to obtain financing, governmental or regulatory agency approval, permits, final adjudication of any lawsuit, your successful completion of any project, receipt of payment from a third party, or any other event. No retainage will be withheld.

5.5 If you do not pay us in accordance with this Agreement, you agree to reimburse all costs and expenses for collection of the moneys invoiced, including but not limited to attorney fees and staff time.

5.6 You agree to compensate us in accordance with our Schedule of Charges if we are asked or required to respond to legal process arising out of a proceeding related to the project and as to which we are not a party.

5.7 If we are delayed by factors beyond our control, or if project conditions or the scope or amount of work changes, or if changed labor conditions result in increased costs, decreased efficiency, or delays, or if the standards or methods change, we will give you timely notice, the schedule will be extended for each day of delay, and we will be compensated for costs and expenses incurred in accordance with our Schedule of Charges.

5.8 If you fail to pay us in accordance with this Agreement, we may consider the default a total breach of this Agreement and, at our option, terminate our duties without liability to you or to others, and you will compensate us for fees earned and expenses incurred up to the time of termination.

5.9 In consideration of our providing insurance to cover claims made by you, you hereby waive any right to offset fees otherwise due us.

Section 6: Disputes, Damage, and Risk Allocation

6.1 Each of us will exercise good faith efforts to resolve disputes without litigation. Such efforts will include, but not be limited to, a meeting(s) attended by each party's representative(s) empowered to resolve the dispute. Before either of us commences an action against the other, disputes (except collections) will be submitted to mediation.

6.2 *Notwithstanding anything to the contrary in this Agreement, neither party hereto shall be responsible or held liable to the other for punitive, indirect, incidental, or consequential damages, or liability for loss of use, loss of*

business opportunity, loss of profit or revenue, loss of product or output, or business interruption.

6.3 You and we agree that any action in relation to an alleged breach of our standard of care or this Agreement shall be commenced within one year of the date of the breach or of the date of substantial completion of Services, whichever is earlier, without regard to the date the breach is discovered. Any action not brought within that one year time period shall be barred, without regard to any other limitations period set forth by law or statute. We will not be liable unless you have notified us within 30 days of the date of such breach and unless you have given us an opportunity to investigate and to recommend ways of mitigating damages. You agree not to make a claim against us unless you have provided us at least 30 days prior to the institution of any legal proceeding against us with a written certificate executed by an appropriately licensed professional specifying and certifying each and every act or omission that you contend constitutes a violation of the standard of care governing our professional services. Should you fail to meet the conditions above, you agree to fully release us from any liability for such allegation.

6.4 *For you to obtain the benefit of a fee which includes a reasonable allowance for risks, you agree that our aggregate liability for all claims will not exceed the fee paid for Services or \$50,000, whichever is greater. If you are unwilling to accept this allocation of risk, we will increase our aggregate liability to \$100,000 provided that, within 10 days of the date of this Agreement, you provide payment in an amount that will increase our fees by 10%, but not less than \$500, to compensate us for the greater risk undertaken.* This increased fee is not the purchase of insurance.

6.5 *You agree to indemnify us from all liability to others in excess of the risk allocation stated herein and to insure this obligation. In addition, all indemnities and limitations of liability set forth in this Agreement apply however the same may arise, whether in contract, tort, statute, equity or other theory of law, including, but not limited to, the breach of any legal duty or the fault, negligence, or strict liability of either party.*

6.6 This Agreement shall be governed, construed, and enforced in accordance with the laws of the state in which our servicing office is located, without regard to its conflict of laws rules. The laws of the state of our servicing office will govern all disputes, and all claims shall be heard in the state or federal courts for that state. Each of us waives trial by jury.

6.7 No officer or employee acting within the scope of employment shall have individual liability for his or her acts or omissions, and you agree not to make a claim against individual officers or employees.

Section 7: General Indemnification

7.1 *We will indemnify and hold you harmless from and against demands, damages, and expenses of others to the comparative extent they are caused by our negligent acts or omissions or those negligent acts or omissions of persons for whom we are legally responsible. You will indemnify and hold us harmless from and against demands, damages, and expenses of others to the comparative extent they are caused by your negligent acts or omissions or those negligent acts or omissions of persons for whom you are legally responsible.*

7.2 To the extent it may be necessary to indemnify either of us under Section 7.1, you and we expressly waive, in favor of the other only, any immunity or exemption from liability that exists under any worker compensation law.

Section 8: Miscellaneous Provisions

8.1 We will provide a certificate of insurance to you upon request. Any claim as an Additional Insured shall be limited to losses caused by our negligence.

8.2 You and we, for ourselves and our insurers, waive all claims and rights of subrogation for losses arising out of causes of loss covered by our respective insurance policies.

8.3 Neither of us will assign or transfer any interest, any claim, any cause of action, or any right against the other. Neither of us will assign or otherwise transfer or encumber any proceeds or expected proceeds or compensation from the project or project claims to any third person, whether directly or as collateral or otherwise.

8.4 This Agreement may be terminated early only in writing. You will compensate us for fees earned for performance completed and expenses incurred up to the time of termination.

8.5 If any provision of this Agreement is held invalid or unenforceable, then such provision will be modified to reflect the parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.

8.6 No waiver of any right or privilege of either party will occur upon such party's failure to insist on performance of any term, condition, or instruction, or failure to exercise any right or privilege or its waiver of any breach.

VII. - D.-F.

Duluth Airport Authority Vehicle Rental Lease & Concession Agreement

Terms:

- Base Term: 5 years February 20, 2024-December 31, 2028
- Option Term: Two additional two-year option terms.

Agreement Overview:

- Concession Rate remains at 10% of gross revenues to be paid to Authority monthly.
- Minimum Annual Guarantee (MAG) calculation remains consistent with previous agreement.
- A new MAG floor was established as it was last updated in 2011.
- Office and counter rental rates based on annually adopted Rates & Charges.
- Rental car parking spaces were added to Rates & Charges as of 01/01/2024.
- A requirement to sign an Internet Access Agreement was included.

Why were the changes in key terms needed/wanted?

- Previous agreement expired on 12/31/2023.
- Agreement needed to be updated with current terminology and the removal of references to old terminal building.
- Exhibits were updated to reflect current operations.

VII. - D.

DULUTH AIRPORT AUTHORITY AND SONJU ENTERPRISES, INC.

VEHICLE RENTAL LEASE AND CONCESSION AGREEMENT NON-EXCLUSIVE RENTAL CAR CONCESSION

The parties to this Agreement are the DULUTH AIRPORT AUTHORITY, a governmental body organized and existing under Chapter 577 of the Laws of Minnesota, 1969, hereinafter known as "Authority", and Sonju Enterprises, Inc. doing business as Avis Rent-A-Car a corporation organized and incorporated in the State of Minnesota, hereinafter referred to as "Concessionaire".

The parties acknowledge the following:

1. The Authority is a public body created pursuant to Minnesota Laws 1969, Chapter 577 and responsible for the operation of the Duluth International Airport and Sky Harbor Airport located in and adjacent to the City of Duluth, Minnesota, hereinafter referred to as "Airport."
2. The Concessionaire is authorized to conduct business in the State of Minnesota and engaged in the business of providing vehicle rental, storage, maintenance, and related services.
3. The Concessionaire desires to offer vehicle rental and related services to be available to the public at the Airport and the Authority agrees to allow the Concessionaire to conduct such business in facilities at the Airport provided by the Authority.

NOW, THEREFORE, in consideration of their mutual covenants and representations, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree for themselves and their successors and assigns as follows:

SECTION I DEFINITIONS

The following terms, as used in this Agreement, shall have the meanings as ascribed to them hereunder.

- A. Airport: shall mean the Duluth International Airport located in and adjacent to the City of Duluth, County of St. Louis, and the State of Minnesota.
- B. City: shall mean the City of Duluth, Minnesota.
- C. Consent or Approval of Authority and of the Executive Director: where this Agreement calls for the consent or approval of the Authority, the same shall be in the form of a resolution approved by the Authority as provided by law; where the consent or approval of the Executive Director is required, the same shall be evidenced by a written document signed by the Executive Director or authorized designee and shall not unreasonably be withheld or delayed.
- D. Customer Facility Charge (CFC): shall mean a user fee established and subject to amendment from time to time pursuant to resolution by the Authority that will be assessed by Concessionaire for each rental transaction, remitted by Concessionaire to the Authority, and used to pay for eligible rental car related capital improvements and operating

expenses as determined by the Authority. Concessionaires will be consulted prior to the establishment or adjustment of the fee.

- E. Executive Director: shall mean the Executive Director of the Authority or designee.
- F. Gross Revenues: shall refer to all amounts charged to its customers by Concessionaire for or in connection with agreements it secures through its operations and business at the Airport, regardless of whether such amount is actually paid to or received by Concessionaire. Gross Revenues shall include all monies or other consideration of whatsoever nature paid or payable to Concessionaire by customers for all sales made and services performed for cash, credit, or consideration in connection with automobile and vehicle rentals or other products or services provided to persons through Concessionaire's operations at the Airport, without regard to the ownership, area, fleet, or location assignment of vehicles and with regard to the manner in which or place at which the vehicles or other products or services are furnished to Concessionaire's customers and without regard to whether the vehicles or other products are returned to the Airport or to some other location.

Gross Revenues shall include anything and everything that is not specifically excluded. The only exclusions from Gross Revenues permitted under this Agreement shall be the specific exclusions set forth below:

- Federal, state, county, city or international sales, use, or excise taxes now in effect or hereinafter levied on Concessionaire's operations which are separately stated on customers' rental contracts and collected from customers of Concessionaire;
- Those fees referred to in this Agreement as Customer Facility Charges, "CFC's."
- Amounts received specifically for loss, conversion and abandonment of or damages of vehicles or other property of Concessionaire, other than any administrative fees;
- Sums charged to customers by Concessionaire for waiver by Concessionaire of its rights to recover loss or damages from its customers for damage to or destruction of the rental vehicles;
- Amounts received from the sale of vehicles off-Airport premises; provided, however, any amounts paid in connection with automobile and vehicle rentals, or other products or services provided to persons through Concessionaire's operations that are applied to or otherwise reimbursed as a result of the sale of a vehicle shall be not excluded from Gross Revenues; and,
- Reimbursements for amounts actually paid for traffic tickets, tolls and toll violations, and towing and impound fees from its customers to pass through without markup to an independent third party with no amount being retained by Concessionaire. However, any amounts collected above the pass-through amount shall be included as Gross Revenue under this Agreement.
- Discounts to customers taken at the time of the rental only and clearly noted on the rental contract or agreement.

- Direct costs associated with vehicle registration fees.
- G. Internet Access Agreement: shall mean internet service provided by the Authority for an additional fee through a separate agreement as shown on Exhibit D.
- H. Leasehold Improvements: shall mean all improvements and equipment which are affixed to the Leased Premises and which cannot be removed without material damage to the Premises.
- I. Leased Premises: Leased Premises shall mean the office area and rental counter space shown on Exhibit A. Leased Premises shall also include those spaces in the Ready/Return Lot and Overflow Lot as identified in Exhibits B and C as may be amended from time to time by the Executive Director as set forth herein.
- J. Minimum Annual Guarantee: shall mean the annual minimum concession payment requirement to be paid to the Authority by Concessionaire for the right to operate a concession at the Airport.
- K. Overflow Lot: shall mean the parking area designated and subject to adjustment from time to time by the Executive Director for the parking of surplus rental vehicles, also known as overflow parking. All vehicles located in the Overflow Lot shall be used for rentals that are initiated at the Airport for which concession fees are paid solely to the Authority and for intercity inbound rentals which will be rented as an outbound vehicle from the Airport. The Overflow Lot is depicted on Exhibit B as may be amended from time to time by the Executive Director as set forth herein.
- L. Parking Ramp: shall mean the parking structure located at the Airport.
- M. QTA: shall mean a Quick Turn Around Facility which shall consist of a potential future vehicle maintenance, cleaning, and fueling facility.
- N. Ready/Return Lot: shall mean the parking area designated and subject to adjustment from time to time by the Executive Director for parking of vehicles immediately available for customer rental and for customer returns. The Ready/Return Lot is depicted on Exhibits B and C as maybe amended from time to time by the Executive Director as set forth herein.
- O. Terminal: shall mean the commercial terminal building at the Airport as shown on Exhibit A.

SECTION 2 EXHIBITS

The following Exhibits are attached to this Agreement and are incorporated herein:

Exhibit A Terminal Leased Premises
 Exhibit B Ready/Return Spaces-Surface and Overflow Lot
 Exhibit C Ready/Return Spaces- Ramp
 Exhibit D DAA Customer Internet Access Agreement

SECTION 3 CONCESSION

The Authority does hereby grant to the Concessionaire and the Concessionaire hereby accepts from the Authority the nonexclusive right to operate a vehicle rental concession at the Airport for the purpose of offering vehicle rental services to the public under the covenants, conditions, and provisions and in the places set forth in this Agreement.

SECTION 4 TERM

- A. Base Term. The Base Term of this Agreement shall commence on February 20, 2024 and shall remain in effect until midnight December 31, 2028, unless terminated earlier as provided for herein.
- B. Option Term. The parties reserve the right to exercise two (2) additional two (2) year Option Terms beyond the Base Term provided that the parties mutually agree to exercise the Option Term ninety (90) days prior to the end of the Base Term or Option Term. The Option Term shall be under the same terms and conditions as set forth herein.
- C. Holding Over. It is further agreed that in the event that the Base Term expires or is subject to early cancellation as per the terms of this Agreement, the Option Term is not exercised, or a new agreement has not been executed, this Agreement shall continue in effect on a month-to-month basis under the terms and conditions set forth in this Agreement subject to the adjustment of rates and charges and reallocation of parking spaces at the sole discretion of the Executive Director. The Concessionaire will be allowed to hold over at the sole discretion and upon the written consent of the Executive Director, which consent may be withdrawn upon thirty (30) days' written notice to Concessionaire.

SECTION 5 NONEXCLUSIVITY

This concession shall not be construed to be an exclusive concession, and the Authority shall have the right to negotiate and execute substantially similar arrangements with any other individual, firm or corporation for engaging in similar activities at the Airport. The Authority shall not, however, during the term of this Agreement, grant to any other individual, firm or corporation, a similar concession upon terms or conditions materially more favorable than those herein granted Concessionaire.

SECTION 6 LEASED PREMISES

The following Leased Premises are hereby leased to Concessionaire for its use in conducting its business at the Airport:

- A. Exclusive Use Office Area and Rental Counter in the Terminal. Approximately three hundred ninety-two (392) square feet on the first floor of the Terminal at a location designated as offices 111, 110, 109 and 108 and identified on Exhibit A. The space shall be used solely for the handling of vehicle rental business, the making of contracts for such rental, and related matters. If Concessionaire offers dual brands from the Exclusive Use Office Area and Rental Counter in the Terminal, Concessionaire shall be charged one

hundred fifty percent (150%) of the base rental rate for the individual suite. Concessionaire will not be allowed to offer more than three (3) brands from any one suite. If more than one suite is occupied for multiple brands without separation, all space leased shall have the 150% premium applied to the base rental rate.

- B. Spaces in the Ready/Return Lot. The use of 53 spaces in the Ready/Return Lot as identified in Exhibits B and C. Concessionaire will be allocated and required to lease a minimum of fifty-three (53) spaces in the Ready/Return Lot. The Executive Director will exercise best efforts to assign spaces with reasonable access and visibility so as not to put any vehicle rental concessionaire at a competitive disadvantage. It is expressly agreed by Concessionaire that said spaces shall be used for parking of vehicles immediately available for rental and for customer returns and for no other purpose. Furthermore, Concessionaire acknowledges that there will be other vehicle rental concessionaires operating at the Airport under the same or similar agreement, that said concessionaires will also have parking privileges in the Ready/Return Lot. The Executive Director will use his best efforts to make available the requested number of spaces to satisfy the needs of all vehicle rental concessionaires in such allocation. After consultation with rental vehicle concessionaires, allocation of spaces in the Ready/Return Lot may be increased or decreased by the Executive Director annually upon thirty (30) days' written notice. In the event the number of spaces is adjusted, payments and fees will be adjusted to become effective upon the date of any such modification. Exhibits B and C will be amended and made a part of this Agreement to reflect any such adjustments.
- C. Spaces in the Overflow Lot. There are 65 spaces in the Overflow Lot as identified in Exhibit B. It is expressly agreed by Concessionaire that said spaces shall be used for parking of surplus vehicles, also known as overflow parking, specifically for rentals initiated at the Airport for which Concessionaire will pay a concession fee solely to the Authority, and for inbound intercity rentals which shall be rented as outbound rentals from the Airport. Furthermore, Concessionaire acknowledges that there will be other vehicle rental concessionaires operating at the Airport, that said concessionaires will also have similar parking privileges in the Overflow Lot. The Executive Director will use his/her best efforts to make available the requested number of spaces to satisfy the needs of all vehicle rental concessionaires in such allocations. Concessionaire shall be required to pay for those spaces which it is allocated. Allocation and location of spaces in the Overflow Lot will be established by the Executive Director prior to the execution of this Agreement. Said allocation and location will be reviewed and subject to adjustment bi-annually upon thirty (30) days' written notice to Concessionaire commencing November 1, 2024 and each May 1 and November 1 thereafter. The Executive Director will consult with the Concessionaire prior to making any adjustments and will take into consideration the needs of the Concessionaire in relation to the needs of other vehicle rental concessionaires in making the final allocation decision. In the event the number of spaces is adjusted, payments and fees will be adjusted to become effective upon the date of any such modification. Exhibit B will be amended and made part of this Agreement to reflect any such adjustments.

SECTION 7 CUSTOMER FACILITY CHARGE

Commencing for all rentals booked on January 1, 2024 and thereafter, the Concessionaire acknowledges the collection of a Customer Facility Charge (CFC) which shall be collected on all vehicle rental transactions at the Airport. The CFC rates will be established by resolution of the Authority following consultation with Concessionaire and other vehicle rental concessionaires

operating at the Airport. The CFC will be collected by the Concessionaire on all rentals, reported monthly on forms provided by the Authority, and paid to the Authority on or before the fifteenth (15th) day following the end of the month to which the CFC applies. All CFC's collected by the Concessionaire shall be held in trust and paid promptly to the Authority. Payments received will be deposited by the Authority and dedicated for CFC eligible costs which may include design and construction of new parking areas, design and construction of a QTA, restoration of the surface locations leased by vehicle rental concessionaires, Ready/Return Lot, Overflow Lot, Parking Ramp, signage, concessionaire office area and rental counter improvements, and other CFC eligible costs associated with the operation and maintenance of vehicle rental facilities.

SECTION 8 PAYMENTS AND FEES

Concessionaire hereby agrees to pay Authority for the rights and privileges granted hereunder as follows:

- A. Office Area and Rental Counter Base Rental Rate. For the use of the office area and rental counter space on the first floor of the Terminal:

January 1, 2024 - December 31, 2028: \$43.58 per square foot per year.

Beginning January 1, 2024, the rental rate will be established annually in accordance with the rates and charges schedule adopted annually by the Authority. Concessionaire will be advised of the proposed rate at least thirty (30) days prior to adoption by the Authority.

- B. Ready/Return/Overflow Lot. For each parking space allocated to Concessionaire in Ready/Return/Overflow Lot:

January 1, 2024 – December 31, 2028: \$18.63 per space per year plus sales tax.

Beginning January 1, 2024, the rental rate will be established annually in accordance with the rates and charges schedule adopted annually by the Authority. Concessionaire will be advised of the proposed rate at least thirty (30) days prior to adoption by the Authority.

- C. Concession Fee. In addition to the rental payments above, Concessionaire shall pay as a concession fee to the Authority a Minimum Annual Guarantee (MAG) or ten percent (10%) of Concessionaire's Gross Revenues arising out of the operations hereunder, whichever is greater. The 2024 MAG will be the amount equal to multiplying the Gross Revenues from the immediate preceding year by eighty percent (80%) and that amount by ten percent (10%). The MAG will be adjusted annually commencing January 1, 2025 and each January 1 thereafter for the Term of this Agreement to an amount equal to multiplying the Gross Revenues from the immediate preceding year by eighty percent (80%) and that amount by ten percent (10%), but in no event shall the MAG for any year be less than eighty five thousand eight hundred and fifty six dollars (\$85,856.00) during the term of this Agreement.

Ten Percent (10%) of Concessionaire's Gross Revenues shall be due and payable to Authority on a monthly basis. Concessionaire shall furnish a statement of Gross Revenues on or before the fifteenth (15th) day of each month following the month to which such Gross Revenues or MAG relate. Payment shall be due and payable within ten (10) days thereafter.

Commencing on December 31, 2024 and each December 31 thereafter during the Term of the Agreement there shall be a reconciliation of the payments made to the Authority. If the reconciliation discloses the Concessionaire owes additional amounts to the Authority, Concessionaire will pay those amounts within 15 days upon receipt of invoice. If the reconciliation discloses that Concessionaire has overpaid the Authority, the amount shall be refunded by the Authority to Concessionaire within thirty (30) calendar days after completion of the reconciliation.

In the event of a major traffic reduction at the Airport during the term of this agreement, due to a federally declared public health emergency, the MAG hereinabove provided for in the Section C above shall be abated for the period of time the condition exists. A major traffic reduction at the Airport shall be defined as a thirty percent (30%) reduction in the number of passengers deplaning on scheduled airline flights at the Airport during any period of three (3) consecutive calendar months as compared to the number of such deplaning passengers in the same calendar months during the preceding calendar year excluding seasonal and charter scheduled airline service. During the period of the abated MAG, only the ten percent (10%) Concession Fee of Gross Revenues will be due and payable to the Authority. Any abated MAG will be removed from the overall requirement in the year end reconciliation.

Concessionaire and Authority agree that if there is a new rental vehicle company (New Entrant) at the Airport, the Minimum Annual Guarantee shall be renegotiated and the contract shall be amended to reflect any adjustment that is agreed upon.

- D. Pass Through Concession Fee. Concessionaire acknowledges that the payments by Concessionaire to the Authority under this Agreement are for Concessionaire's use of the facilities and access to the Airport market, and that none of those payments reflects a fee that is imposed by the Authority upon customers renting vehicles from Concessionaire. The Authority does not require but will not prohibit the separate statement of the Concession Fee on customer invoices or rental contracts ("invoices"), provided that Concessionaire meets all the following conditions:
1. Such fee is titled "Concession Recovery Fee";
 2. Such fee shall be immediately below all concessionable items and not immediately adjacent to taxes on customer invoices;
 3. If Concessionaire elects to designate a Concession Recover Fee on customer invoices, Concessionaire complies with all applicable laws including Federal Trade Commission requirements;
 4. The Concession Recovery Fee percentage stated on the invoice and charged to the customer shall not exceed 11.11%.
- E. Additional Fees. Additional fees may include charges for special items or activities including, but not limited to, employee parking and badging fees. The Authority may assess reasonable, non-discriminatory charges for these special items or activities. All new charges will be reviewed with Concessionaire prior to implementation. Other charges payable by Concessionaire, shall be paid by Concessionaire to Authority by due date on invoice.
- F. Fee for Failure to Maintain. In the event that Concessionaire fails to keep the Leased Premises in a neat, clean, orderly and sanitary condition as is required by this Agreement and the Executive Director has issued a written notice of such deficiency and provided a

reasonable cure period as determined solely by the Executive Director, Authority may itself clean or cause to be cleaned those portions of the Leased Premises not so kept, and Concessionaire agrees to reimburse Authority for the direct and indirect costs incurred by Authority for the performance of said work plus a fifteen percent (15%) administrative fee, due and payable upon the date of the invoice.

- G. Fee for Repair and Replacement. Concessionaire shall promptly repair or replace any property of the Authority lost, destroyed or damaged by its operations hereunder. If Concessionaire fails to promptly repair or replace such property following written notice by the Executive Director of such deficiency and a reasonable cure period as determined solely by the Executive Director, Authority may repair or replace it and Concessionaire agrees to reimburse for the direct and indirect costs incurred by Authority for such repair or replacement plus a fifteen (15%) percent administrative fee, due and payable upon the date of the invoice.
- H. Fee for Unpaid Licenses, Fees, Taxes, and Assessments. Concessionaire hereby agrees to pay all licenses, fees, taxes and assessments of any kind whatsoever which arise because of, or in the course of any operations covered by this Agreement during the term hereof. Should Concessionaire fail to pay such amounts following written notice of such deficiency and a reasonable cure period as determined solely by the Executive Director, it is expressly agreed that Authority may pay the same on behalf of Concessionaire, and Concessionaire agrees to reimburse Authority for said amounts paid plus a fifteen percent (15%) administrative fee due and payable upon the date of the invoice.

SECTION 9 UTILITIES & INTERNET ACCESS AGREEMENT

The Authority agrees to provide such heat, electricity, internet infrastructure, telephone infrastructure, water and sewage as are reasonably necessary for Concessionaire's operations at no additional cost to Concessionaire. Concessionaire shall be responsible for providing and installing all telephone systems and computer systems at its sole expense.

Concessionaire shall be required to sign a separate Internet Access Agreement with Authority for internet services during the Term of this Agreement. Interest Access Agreement attached hereto as Exhibit D. Internet Access Agreement must be completed by June 1, 2024.

SECTION 10 PERFORMANCE BOND/ SECURITY DEPOSIT

- A. To guarantee its performance of all of the conditions and obligations under this Agreement, Concessionaire agrees to secure a performance bond or provide a security deposit issued to the Authority in the amount equal to twenty five percent (25%) of 2023 MAG. If a bond, it must be secured from a surety which is acceptable to the Executive Director and guaranteeing performance by the Concessionaire of all of the terms and conditions of this Agreement and further guaranteeing all payments to be made hereunder. Said bond shall further include a requirement that the surety notify the Authority in writing at least thirty (30) days prior to the cancellation or termination of said performance bond. It is agreed that the amount of such bond may not be diminished below the required amount as set forth herein during the term of this Agreement. As an alternative and in lieu of a performance bond, Concessionaire may deposit with the Authority the required amount.

- B. The Executive Director may waive the Performance Bond/Security Deposit requirement provided Concessionaire has remained in compliance with the terms and conditions of this Agreement and has remained current on all payments due under this Agreement for a period of one (1) year. If Concessionaire has met this requirement over the past twelve months prior to the commencement of this Agreement, it will qualify for such waiver. If Concessionaire has the requirement waived and subsequently is determined to be in default as called for in this Agreement or has delinquent payments due the Authority, Authority reserves the right to reinstitute the Performance Bond/Security Deposit requirement subject to the terms of this SECTION.

SECTION 11 ACTIVITIES PERMITTED ON AIRPORT

- A. On-Airport Vehicle Rental Concession. Concessionaire shall have the right to use the Leased Premises at the Airport identified in this Agreement for the conduct of an on-airport vehicle rental concession as herein provided.
- B. Public Areas and Roadways. Concessionaire shall have access to and the right to use public areas and roadways at the Airport in like manner as the general public, but Concessionaire shall in no way infringe upon the rights of the public to so use such public areas and roadways.

SECTION 12 CONSTRUCTION AND LEASEHOLD IMPROVEMENTS

- A. Approval of Executive Director. In the event that Concessionaire wishes to make any Leasehold Improvements, Concessionaire shall submit a written request to the Executive Director together with design development or construction drawings showing all details of said Leasehold Improvement. No Leasehold Improvement shall be made in the Leased Premises without the prior written approval of the Executive Director, which decision shall not be unreasonably delayed, and then only in conformance with the approved plans and this SECTION.
- B. Regulations and Standards. All work performed on behalf of Concessionaire shall conform to all applicable regulations, building design standards, building codes and health standards, as well as the following requirements:
1. All construction shall meet the requirement of Type I (fire resistant) construction as set forth in the Minnesota State Building Code (current edition) and the building standards for the Airport.
 2. Complete contract drawings and specifications on all work, including alterations, additions or replacements, must be submitted for and receive approval of the Executive Director. Concessionaire will be responsible for delivering to the Authority at no cost "as built" drawings and an electronic version, of same, or any reasonable substitute as agreed to in writing by the Executive Director, within sixty (60) days of completion of any Leasehold Improvement.
 3. All work must be done by qualified and licensed contractors authorized to do business at the Airport in the time and manner approved by and coordinated with the Executive Director. Concessionaire shall comply with the indemnity and

insurance and bond requirements of this Agreement. Work must be performed such that it may not have a material impact on the operations of the Airport or negatively impact any tenants operating at the Airport as determined in the sole discretion of the Executive Director.

4. An authorized representative of Concessionaire shall be available at all reasonable times at the site to coordinate the work of the Leasehold Improvements.

C. Construction Bonds and Insurance.

1. Bonds: During the term of this Agreement, when any Leasehold Improvements are constructed, installed or renovated, Concessionaire shall procure and furnish to the Executive Director a bond or bonds written by a company or companies authorized to write such bonds in the State of Minnesota and who are acceptable to the Executive Director, in an amount not less than the cost of such construction, installation or renovation, for the use of obligee, Concessionaire and the Authority and all persons doing work or furnishing skills, tools, machinery, materials, insurance premiums, equipment or supplies incident to such construction, installation or renovation, such bond or bonds to be conditioned for payment of claims as required and in full compliance with Minnesota Statutes Section 574.26. Further, during the term of this Agreement, for any construction, installation or renovation of Leasehold Improvements, and before the commencement of work thereon, Concessionaire shall furnish to Authority performance bonds, written by similarly qualified companies, covering all work to be performed thereunder guaranteeing the performance of all such work.
2. Contractor's Public Liability and Property Insurance. Before commencing any Leasehold Improvement on the Leased Premises, Concessionaire shall itself or shall require all contractors and subcontractors to procure and maintain insurance during the life of such contracts, protecting both the Authority, the City of Duluth and the Concessionaire as follows:
 - i. Workers' Compensation Insurance.
 - ii. Contractors Comprehensive Public Liability and Property Damage Insurance.
 - iii. Contractors Automobile Liability and Property Damage Insurance, including automobile and non-ownership and hired cars.
 - iv. Owners Protective Public Liability and Protective Property Damage Insurance.
 - v. Builders Risk Insurance (fire, extended coverage, vandalism and malicious mischief, including sprinkler leakage).

Amounts shall not be less than One Million Five Hundred Thousand Dollars (\$1,500,000) for injuries, including accidental death to any one person, and subject to same limit for each person, and in an amount not less than One Million Five Hundred Thousand Dollars (\$1,500,000) for any one accident with a One Million Five Hundred Thousand Dollar (\$1,500,000) aggregate for the policy. Insurance, as above provided, shall be kept intact and in force throughout the term of construction work and equipment installation on the Leased Premises. Such insurance shall be subject to the approval of the Executive Director and copies furnished to the Executive Director prior to the commencement of construction.

- D. Subsequent Leasehold Improvements: Any changes in, additions to or deletions from existing or later constructed Leasehold Improvements shall be subject to the prior approval of the Executive Director and Executive Director may impose such conditions as it shall deem necessary to protect the Authority and the integrity of all operations at the Airport, including, but not limited to, bonding and insurance requirements.

SECTION 13 CONCESSIONAIRE'S RIGHTS

During the term of this Agreement, Concessionaire shall have the following rights subject to other terms and conditions hereof:

- A. To install, operate and maintain upon the Leased Premises at Concessionaire's sole expense, signs advertising Concessionaire's business consistent with Authority's building signage standards, subject to the prior written approval of the design by the Executive Director, which decision shall not be unreasonably delayed.
- B. To remove upon termination of this Agreement and within ten (10) days thereafter such items as may have been installed in and upon Leased Premises by Concessionaire pursuant to this Agreement. Upon removal, Concessionaire will repair the Leased Premises where the installed items have been removed to original condition, normal wear and tear excepted.
- C. To the joint use with others of roads and driveways useful in the conduct, operation and maintenance of Concessionaire's vehicle rental operation. Concessionaire and its employees, agents, contractors, and assigns shall have no right under this Agreement to park vehicles at the Airport at any location other than that designated by the Executive Director.

SECTION 14 CONCESSIONAIRE'S COVENANTS

Concessionaire hereby covenants and agrees:

- A. To furnish good, prompt and efficient service adequate to meet all reasonable demands for vehicle rental business at the Airport on a fair and reasonable basis, and to charge for such service at a fair and reasonable price. Said service shall be similar to those services rendered by Concessionaire or affiliates of Concessionaire as well as other vehicle rental concessionaires in similarly sized airports in the surrounding five state area, provided, however, that service provided by Concessionaire at the Airport shall conform to all standards herein specified.
- B. To use its best efforts in every proper manner to develop and increase the business of the rental of vehicles at the Airport for those customers utilizing the resources of the Airport.
- C. That it will not divert or cause or allow to be diverted any vehicle rentals from its place of business at the Airport for customers utilizing the resources of the Airport to any other local location under the same brand as Concessionaire.
- D. That rental vehicles made available hereunder shall be maintained at Concessionaire's sole expense in good operating order, free from known mechanical defects, safe, and in

clean, neat and attractive condition inside and out, and in no case shall vehicles be older than the most current model year at any time available or than the four (4) model years immediately preceding said current model year.

- E. That the facilities to be provided by Concessionaire hereunder for the purpose of providing vehicle rental business at the Airport shall remain open and be staffed by such personnel as are necessary for the conducting of Concessionaire's business during all times for scheduled airline arrivals and departures. Specific hours shall be determined periodically by the Executive Director upon consultation with Concessionaire; but in all cases Concessionaire shall remain open to meet anticipated customer needs. Concessionaire may install as a facility hereunder on the Leased Premises to be used by it, or at such other place as the parties may agree upon, a direct line telephone to the nearest office of the Concessionaire for the purpose of supplying vehicle rental service to customers during those periods when its facilities are not required to be open.
- F. That personnel performing services hereunder shall be neat, clean and courteous, and dressed in the approved corporate attire, and Concessionaire shall not permit its agents, servants, contractors, or employees to solicit or conduct business outside of the Leased Premises or conduct business in a loud, noisy, boisterous, offensive or objectionable manner.
- G. That Concessionaire shall abide by, and require its agents, contractors, and employees to abide by, and be subject to all rules and regulations which are now, or may from time to time, be promulgated by the Authority or the Executive Director concerning the management, operation, or use of the Airport, and specifically to abide by all provisions of the Airport Security Plan on file in the office of the Executive Director. Concessionaire must comply with all security requirements of the Authority, Department of Homeland Security, and any other governing agency. Concessionaire further agrees to provide at its sole cost for all of its agents, contractors and employees serving at the Airport and for them to have in their possession, Airport Identification badges as required by the Executive Director.
- H. That Concessionaire will maintain, in accordance with generally accepted accounting practices for six (6) years after each year during which the contract is in effect, all records, documents and books of account recording all transactions of the business conducted by Concessionaire at the Airport within the City of Duluth, and within a thirty (30) mile radius of said City of Duluth, which records, documents, and books of account shall be held accessible to the Authority and its representatives at any time upon reasonable demand by the Executive Director. Concessionaire further agrees to use only numbered vehicle rental agreements for all business conducted at the Airport. The license number of the vehicle rented pursuant to any such agreement shall appear on the face of that agreement. Concessionaire agrees to submit complete sets of all numbered rental agreements within ten (10) working days upon written demand.
- I. To permit in ordinary business hours and for the period identified in Section 14 (H) above, the examination and audit by the Authority and/or the Legislative or State Auditor or their representatives, of any records, documents or books of account of Concessionaire pertaining to vehicle rentals of the Concessionaire's vehicle rental business regardless of where such business may be done. Concessionaire must provide the records requested within five (5) days upon receipt of notice. If as a result of such inspection and upon audit, deficiency in payments made to the Authority hereunder of more than five percent (5%) is

disclosed, the cost of audit shall be borne by the Concessionaire due and payable upon demand. Otherwise, the cost of inspection and audit shall be borne by the Authority.

- J. To permit the inspection by officers, employees and representatives of the Authority of any equipment or device used by Concessionaire for the purpose of computing the rates and charges of rentals or service.
- K. That it will meet all expenses in connection with the use of the Leased Premises hereunder, and the rights and privileges herein granted, including, without limitation by reason of enumeration, taxes, permit fees, license fees and assessments lawfully levied or assessed upon the Leased Premises or structures and Leasehold Improvements at any time situated thereon, and that it will secure all such permits and licenses as may be necessary.
- L. That it will furnish, install, operate and maintain the Leasehold Improvements provided hereunder, and keep the same, as well as the Leased Premises and the furniture, fixtures and equipment installed therein and thereon, all in good order, condition and repair.
- M. That it will permit the Authority at any time, and as often as the Authority deems necessary, to inspect the vehicles, machines and other equipment used by Concessionaire in the conduct of its business, and upon request shall demonstrate any such vehicles, machines or equipment. Upon notification by the Authority that reasonable grounds exist to question the safety or efficiency of any vehicle, machine or equipment, Concessionaire shall immediately remove the same from service and provide a satisfactory substitute.
- N. That it shall not do or permit to be done any act which:
 - 1. Will invalidate or be in conflict with any fire insurance policies covering the Airport and Authority or any part thereof or upon the contents of any building thereon, or
 - 2. Will increase the rate of any fire insurance at the Airport or charged to the Authority or any part thereof, or upon the contents of any building thereon, or
 - 3. In the opinion of the Authority, will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Agreement.

If by any reason of the Concessionaire's failure to comply with the provisions of this section, any fire insurance rate at the Airport, or any part thereof, or upon the contents of any building thereon, shall at any time be higher than it otherwise would be, then the Concessionaire shall upon demand pay the Authority that part of all fire insurance premiums paid or payable by the Authority which shall have been charged because of such violation by the Concessionaire.

- O. That no advertising signs shall be used or displayed by Concessionaire other than those approved in writing by the Executive Director, and no video or audio advertising shall be permitted.

**SECTION 15
LAWS, ORDINANCES, RULES AND NON-DISCRIMINATION**

- A. Laws, Ordinances and Rules: The Concessionaire agrees to observe and comply with all the laws, ordinances, rules and regulations of the United States of America, State of

Minnesota, the City of Duluth, the Authority, and any agency, department of governmental subdivision thereof, including but not limited to the Department of Homeland Security and the Federal Aviation Administration and their respective agencies now in effect or hereinafter promulgated which are applicable to its business at the Airport including all laws relating to unlawful discrimination, and further agrees to observe and comply with all Airport rules and regulations in existence at the execution of this agreement and which may, from time to time, be promulgated by the Authority governing conduct on and operations at the Airport and the use of its facilities, as administered by the Executive Director. Further, Concessionaire agrees to fulfill its responsibilities pursuant to the Airport Security Plan approved by the Federal Aviation Administration and any amendments thereto.

- B. Non-discrimination: The Concessionaire for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant with the land that:
- a. No person on the grounds of race, color, religion, sex, creed, age, disability, or national origin or ancestry, lawful source of income, marital status or familial status shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities; and
 - b. In the construction of any improvement on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, religion, sex, creed, age, disability, or national origin or ancestry, lawful source of income, marital status or familial status shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and
 - c. That the Concessionaire shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

SECTION 16 INDEMNIFICATION

- A. Concessionaire shall indemnify, save, hold harmless, and defend Authority and the City, their officials, agents and employees, successors and assigns, individually or collectively, from and against any claim including a claim for contribution or indemnity, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to, reasonable attorneys' fees, disbursements, court costs, and expert fees) based upon injury to persons, including death, or damage to property arising out of, resulting from, in conjunction with or incident to Concessionaire's operation of its business and/or performance of its obligations under this Agreement or use and/or occupancy of the Leased Premises or of the Airport, except where said claims, actions, losses, and damages are solely the result of the intentional or negligent acts of the Authority or the City, and on ten (10) days' written notice from the Authority, the Concessionaire shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage.
- B. Concessionaire shall indemnify, save, hold harmless, and defend Authority and the City, their officials, agents and employees, successors and assigns, individually or collectively, from and against any claim including a claim for contribution or indemnity, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including,

but not limited to, reasonable attorneys' fees, disbursements, court costs, and expert fees) and any fines in any way arising from or based upon the violation of any federal, state, or municipal laws, statutes, resolutions, or regulations, including rules or regulations of the Authority now in effect or hereafter promulgated, by Concessionaire, its agents, employees, or successors and assigns in conjunction with or incident to Concessionaire's operation of its business and/or performance of its obligations under this Agreement or use and/or occupancy of the Leased Premises or of the Airport, and on ten (10) days' written notice from the Authority, the Concessionaire shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage.

- C. The provisions of this Section shall survive the expiration, termination or early cancellation of this Agreement.

SECTION 17 ENVIRONMENTAL LIABILITY AND INDEMNIFICATION

In addition to the general indemnity stated in Section 16, and as part of it, it is specifically agreed between the parties that Concessionaire shall be responsible in all respects for Concessionaire's use of, or Concessionaire's generation of, or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic or dangerous substance, solid waste or a "hazardous waste" by either the United States Environmental Protection Agency or the Minnesota Pollution Control Agency. Concessionaire shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and response costs, monitoring, or cleanup of any environmental condition deemed by those agencies, or either of them, to require environmental response, monitoring or cleanup activities of any kind whatsoever which arise out of Concessionaire's use of, or generation of, such substances in its operations at the Airport, and, Concessionaire specifically agrees that the obligations of Section 15 above shall apply specifically to any cost or obligations of the Authority or City arising out of such response, disposition and/or clean up. The provisions of this Section shall survive the expiration, termination or early cancellation of this Agreement.

SECTION 18 INSURANCE

- A. Insurance Requirements. Concessionaire shall carry and maintain in full force and effect during the term of this Agreement the minimum amounts of insurance set forth below. The Concessionaire shall carry workers' compensation insurance on all of its employees employed on the Airport. Concessionaire may request the Authority to approve alternative types of insurance providing at least equal protection. All such insurance shall be in at least the following amounts and shall be in a form acceptable to the Authority and approved by the City Attorney, shall name the Authority and the City of Duluth as additional insureds on each liability policy and shall provide for thirty (30) days' written notice to the Authority of any cancellation or modification thereof. Certified copies thereof or appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority prior to the execution of this agreement. The Authority reserves the right and Concessionaire agrees to revisions upward or downward in the minimum insurance requirements hereinafter set forth. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota. All insurance policies required below

shall be primary and shall not require contribution from any coverage maintained by the Authority and/or the City.

1. Commercial general liability insurance of not less than \$2,000,000.00 per occurrence for bodily injury, personal injury and property damage.
 2. Business Automobile Liability Insurance of not less than \$2,000,000.00 per occurrence including owned and/or leased automobile liability and non-owned and hired automobile liability.
 3. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.
- B. Insurance Primary. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- C. Additional Insureds. Authority and City shall be named as additional insureds on each of the policies above except the Workers' Compensation policy.
- D. Insurance Not Limitation: It is understood that the specified amounts of insurance stated in this paragraph shall in no way limit the liability of Concessionaire under this Section.
- E. Disclaimer: Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Concessionaire's interests and liabilities. It shall be the obligation and responsibility of Concessionaire to insure, as it deems prudent, its own personal property, against damage. Authority does not have insurance coverage for Concessionaire's property and Authority expressly disclaims any and all liability for any and all losses, damage and/or claims to vehicles and/or personal possessions of Concessionaire.

SECTION 19 SURRENDER OF POSSESSION

Upon the termination of this Agreement, Concessionaire's authority to use the Leased Premises, rights, facilities and equipment herein granted shall cease and Concessionaire shall, upon expiration or termination, promptly and in good condition, normal wear and tear excepted, surrender the same to the Authority. In the event that Concessionaire has in any way changed, altered or modified the Leased Premises demised herein, Concessionaire covenants to return the same to the condition they were in at the time of the occupancy under this Agreement, normal wear and tear excepted, or, in the alternative, to pay the Authority for the cost of returning them to said condition. Upon termination, any improvements which have become part of the realty shall become the property of the Authority, and the same shall be immediately returned to the ownership and control of the Authority. Any improvements not part of the realty shall be removed therefrom within ten (10) days after the termination of this Agreement or the same shall be deemed to have been abandoned to the Authority and the right of the Concessionaire to possession thereof shall cease.

SECTION 20 AUTHORITY'S RIGHTS UPON DEFAULT

- A. Rights Upon Default. If at any time Concessionaire shall be in default, as defined in this Section, with regard to the requirements of this Agreement, it shall be lawful for the Authority, and the Authority may at any time thereafter:

1. Immediately, or at any time thereafter without further notice to Concessionaire, re-enter into or upon the Leased Premises under this Agreement or any part thereof and take possession of the same fully and absolutely without such re-entry representing a forfeiture of the rentals, fees, and charges to be paid and of the covenants, terms and conditions to be performed by Concessionaire for the full term of this Agreement, and in the event of such re-entry, the Authority may proceed with the collection of rentals, fees, and charges to be paid under this Agreement or to recover properly measured damages.
2. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter provided and re-enter upon said Leased Premises as of its former estate therein, and the Concessionaire covenants in case of such termination to indemnify the Authority against all loss of rentals, fees, and charges which the Authority has suffered or paid by reason of such termination, during the remainder of the term of this Agreement.
3. The Authority shall further have all other rights and remedies at law or in equity including injunctive relief, or summary proceedings for unlawful detainer, and any or all legal remedies, actions and proceedings shall be deemed cumulative.

B. Default Defined. "Default" shall be defined when any of the following circumstances exist:

1. If the Concessionaire has failed to pay rentals, fees, charges, CFC's, or taxes when due hereunder and such failure to pay shall continue for fifteen (15) days after written notice to Concessionaire in the manner hereinafter provided.
2. Failure to provide and/or maintain the insurance coverages required herein.
3. If the Concessionaire fails in the observance or performance of any of the other terms, covenants and conditions of this Agreement and such failure shall continue for fifteen (15) days after Authority has given Concessionaire written notice, or the Concessionaire shall have failed to commence the corrective action of such failure within fifteen (15) days after such notice and to diligently prosecute the same where the same cannot be completed within fifteen (15) days.
4. If a petition to reorganize the Concessionaire or for its arrangement of its unsecured debts shall be filed.
5. If the Concessionaire shall be adjudicated bankrupt.
6. If a receiver or trustee of the Concessionaire's property shall be appointed by any court.
7. If the Concessionaire shall make a general assignment for the benefit of creditors.
8. If all of the interest of the Concessionaire in its property shall be taken by garnishment, attachment, execution or other process of law.
9. If the Leased Premises shall be deserted or vacated.

- C. Attorneys' Fees and Costs. In the event Authority shall prevail in any action or suit or proceeding brought by Authority to collect the rentals, fees, charges, CFC's, or taxes due or to become due hereunder or any portion thereof, or to take possession of the Leased Premises, or to enforce compliance with this Agreement or for failure to observe any of the covenants of this Agreement, Concessionaire agrees to pay Authority such sums as a court may adjudge reasonable as attorneys' fees and costs to be allowed in such action, suit or proceeding.
- D. Non-Waiver. No waiver or default by Authority of any of the terms, covenants or conditions hereof to be performed, kept and observed by Concessionaire shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Concessionaire.

SECTION 21 CONCESSIONAIRE'S TERMINATION RIGHTS

Concessionaire shall have the right upon written notice to the Authority to terminate this Agreement upon the happening of one or more of the following events, if said event or events are then continuing:

- A. The issuance by any court of competent jurisdiction of an injunction, order or decree: (1) preventing or restraining the use by Concessionaire of all or any substantial part of the Leased Premises used and occupied by Concessionaire hereunder, or (2) preventing or restraining the use of all or a part of the Airport for normal airport purposes which may be used by Concessionaire and which is necessary for its operations on the Airport, or (3) preventing Concessionaire from operating an vehicle rental business and which injunction, order or decree remains in force for a period of at least ninety (90) days.
- B. If Authority defaults in any of the terms, covenants or conditions under this Agreement and fails to cure the default or make substantial progress with regard thereto within ninety (90) days following receipt of written demand from Concessionaire to do so.
- C. If all or a material part of the Leased Premises used and occupied by Concessionaire hereunder is damaged or destroyed or all or a part of the Airport or Airport facilities which are necessary to the operation of Concessionaire's business are damaged or destroyed or the use thereof disrupted for causes beyond Concessionaire's control.
- D. If, by reason of any action of any governmental authority, Concessionaire is unable to conduct its business for a period of in excess of ninety (90) consecutive days in substantially the same manner or substantially to the same extent as prior to such action.
- E. Permanent abandonment of Airport for scheduled airline service.

SECTION 22 SUBLEASES AND ASSIGNMENTS

Concessionaire shall not assign or transfer this Agreement, in whole or in part, in any manner, nor any interest therein, nor permit the foregoing Agreement to become transferred by operation of law or otherwise, nor do or suffer any acts to be done whereby the same may be or become assigned in whole or in part, unless the written consent of Authority shall first be obtained in each and every case of subletting, assignment or transfer. It is expressly agreed by the parties that a

change in ownership of the controlling share of stock in Concessionaire, if any, shall be deemed to be an assignment hereunder. It is expressly agreed by the Concessionaire that in the event permission be granted by the Authority as herein provided, the sub-lessee or assignee shall be required to assume and agree to perform the covenants of this Agreement and that notwithstanding any such subletting or assignment, the Concessionaire shall be and remain liable for the payments of all rents and other payments due hereunder and the performance of all covenants and conditions for the full term of this Agreement.

SECTION 23 SUBORDINATION

This Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States of America or the State of Minnesota relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or State funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.

SECTION 24 MODIFICATION

Any of the terms of this Agreement may be changed upon the mutual consent of the Authority and the Concessionaire, but to be valid any such changes must be in writing, dated, and must be executed with the same formalities as this Agreement. In the event that any provision of this Agreement is determined to violate any local, state, or federal rule or regulation or is deemed to cause a violation of any rate covenants, the Agreement shall be modified upon consultation with Concessionaire to cause such violation to be compliant with such provision and an amendment will be executed on a timely basis to incorporate the required changes.

SECTION 25 NOTICES

Any notice provided for in this Agreement or otherwise to the Authority shall be sent to:

Duluth Airport Authority
Executive Director
Duluth International Airport
4701 Grinden Drive
Duluth, Minnesota 55811.

Any notice to the Concessionaire hereunder shall be sent to:

Evergreen LTD
1701 W. Michigan Street
Duluth, MN 55806

SECTION 26 AGREEMENT NOT LICENSE

Nothing contained herein shall be construed to be a grant of a franchise, consent, license, permit, right or privilege of any nature or kind whatsoever to operate omnibuses, taxicabs, or any other vehicles or conveyances carrying passengers or property, whether for hire or otherwise, outside

the Airport or over the public street or roads located in any political subdivision of the State of Minnesota.

**SECTION 27
APPLICABLE LAW**

This Agreement, together with all of its SECTIONS, terms and provision, is made in the State of Minnesota and shall be construed and interpreted according to the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota. However, litigation in the federal courts involving the parties shall be in the appropriate federal court within the State of Minnesota. The parties to this Agreement waive any objections to the jurisdiction of these courts, whether based on convenience or otherwise.

**SECTION 28
SEVERABILITY**

In the event any provision of this Agreement shall be deemed invalid or unenforceable, the remaining provisions shall continue in force and effect and shall be binding upon the parties to this Agreement.

**SECTION 29
NONWAIVER OF LIABILITY**

Nothing in this Agreement constitutes a waiver by the Authority or the City of any statutory or common law defenses, immunities, or limits on liability. The liability of the Authority and the City shall be governed by the provisions of the Minnesota Municipal Liability Tort Act, Minn. Stat. 466.04.

**SECTION 30
AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE)
COMPLIANCE**

- A. The Authority has established an Airport Concession Disadvantaged Business Enterprise (ACDBE) program in accordance with the regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 23. The concessionaire is required to participate in the Authority's ACDBE program.
- B. This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, Title 49 CFR Part 23. The concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by Title 49 CFR Part 23.
- C. The concessionaire or contractor agrees to include the statement set forth in paragraph B in any subsequent concession agreement or contract covered by Title 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.
- D. Each year Concessionaire no later than February 1st shall provide Authority the requested ACDBE information.

- E. The Authority has available several remedies to enforce the ACDBE requirements contained in its contracts, including, but not limited to, the following:
 - 1. Breach of contract action, pursuant to the terms of this contract;
 - 2. Breach of contract action, pursuant to applicable State Statutes

- F. The federal government has available several enforcement mechanisms that it may apply to firms participating in the ACDBE problem, including, but not limited to, the following:
 - 1. Suspension or debarment proceedings pursuant to 49 CFR part 23;
 - 2. Enforcement action pursuant to 49 CFR part 31; and
 - 3. Prosecution pursuant to 18 USC 1001.

- G. The Authority will comply with all regulations set forth in 49 CFR Part 23 and will monitor concessionaires at the Airport for compliance with the ACDBE program.

- H. The Authority will submit to the Federal Aviation Administration's Regional Civil Rights Office, an annual ACDBE participation report showing the commitments and attainments. The Authority will take measures to ensure nondiscriminatory participation of ACDBEs in concession, and other covered activities.

**SECTION 31
COUNTERPARTS**

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

**SECTION 32
ENTIRE AGREEMENT**

This Agreement, including Exhibits A-D constitutes the entire agreement between the parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto. There are no representations, warranties, or stipulations either oral or written not herein contained.

Dated: _____

DULUTH AIRPORT AUTHORITY

Sonju Enterprises, Inc.

By _____
Its President

By _____
Brad Skytta
Its President

By _____
Its Secretary

Exhibit A

Terminal Leased Premises

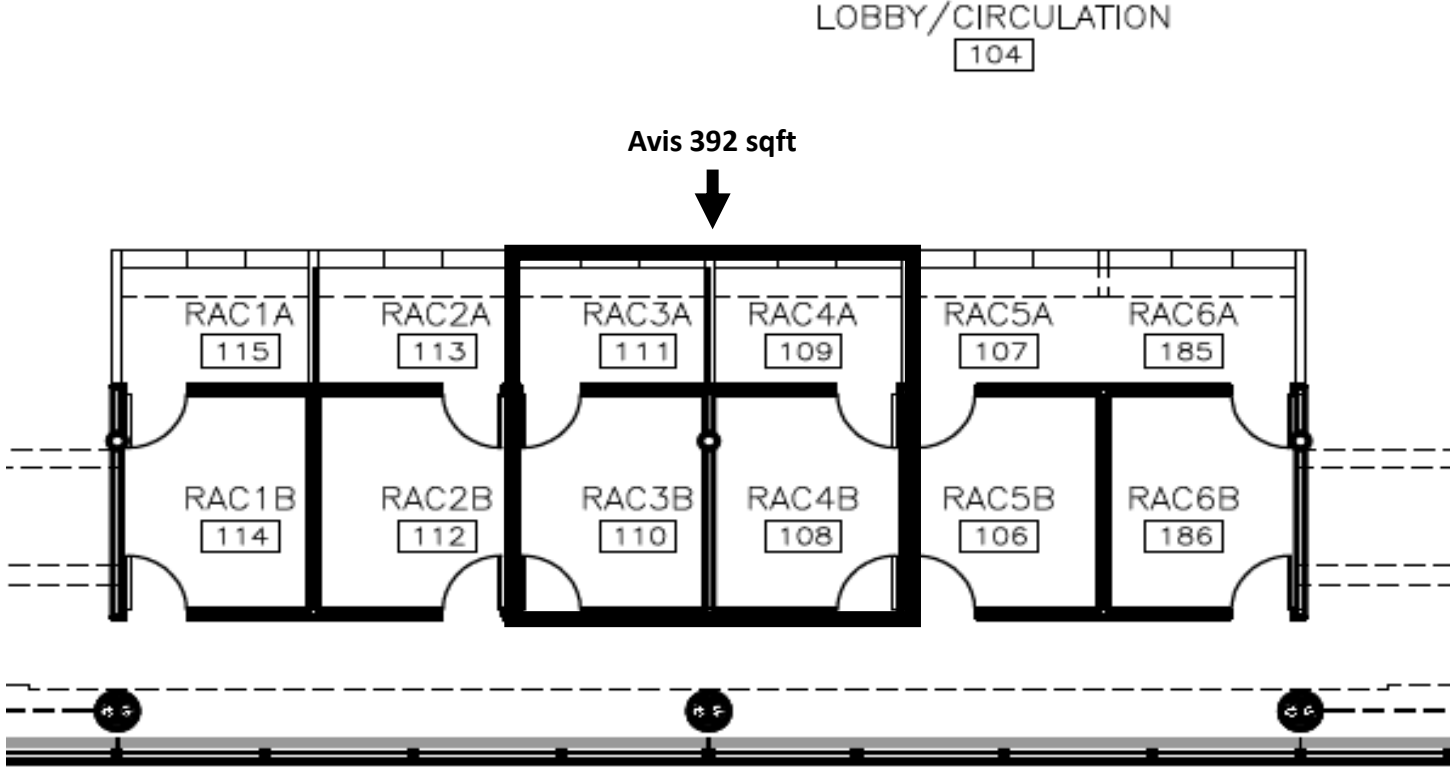


EXHIBIT B

Ready/Return Spaces-Surface and Overflow Lot

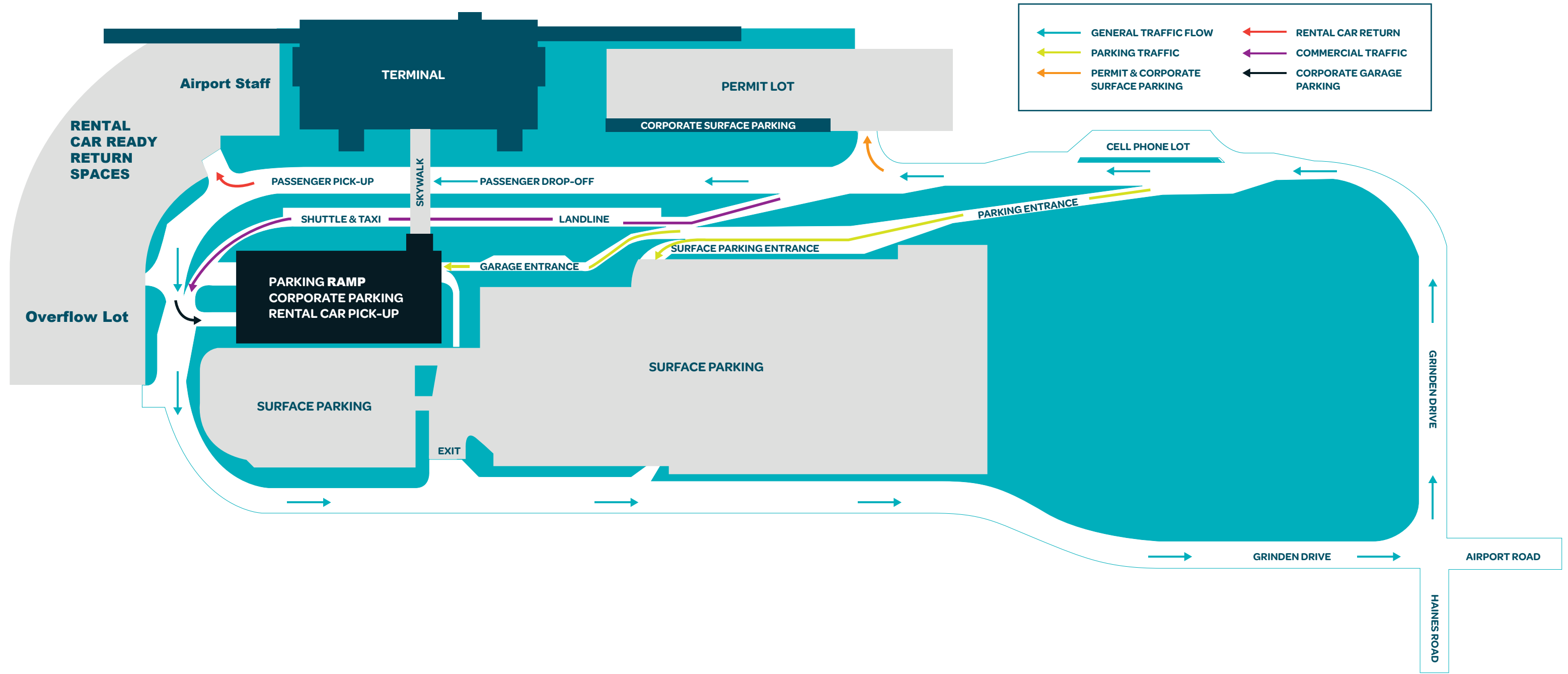
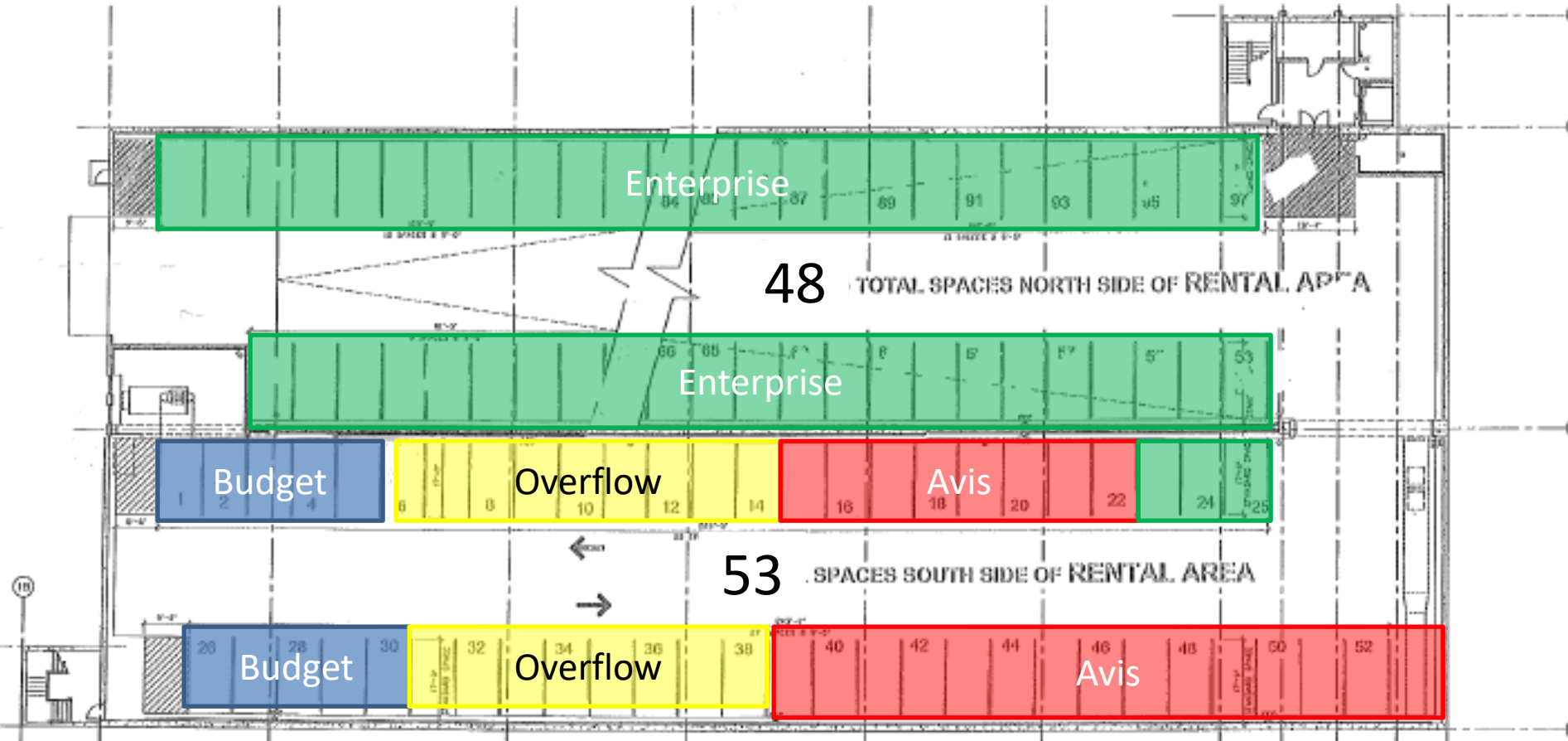


EXHIBIT C

Ramp Ready/Return Spaces



- Enterprise – 51 parking spots
- Avis – 23 parking spots
- Budget – 10 parking spots
- Overflow-17

EXHIBIT D

Internet Access Agreement



This Internet Access Agreement (“Agreement”) is made by and between the Duluth Airport Authority (“DAA”) and Car Rental Company (“Customer”) as of January 1, 2024, and describes the Services, the term of the Agreement, the prices for the Services, service level commitments, and any other Customer or Services specific terms and conditions. For purposes of this Agreement, the “Effective Date” is defined as the date upon which “DAA” first delivers Service.

1. **Services Description.** Internet Access provided via Fiber Connectivity to Airport Terminal located at 4701 Grinden Drive, Duluth, MN 55811. Internet Access of 100Mbps with a single IP address. Additional IP addresses can be purchased at a rate of \$24.95 per additional IP address per month.

Charges for other services are not included. This includes, but is not limited to cross-connection to other customers or carriers, colocation charges, etc. Access to the global internet at Quality of Service (“QoS”) support are not included. Service is provided not for resale for the use of the Customer and no other parties.

Service will be provided in the DAA Airport Terminal building Demarc. Wiring between Customer provided equipment and the building Demarc is available outside the scope of this Agreement.

Customer is solely responsible for protection of Customer owned devices by providing a firewall with suitable threat management, filtering tools and manufacturer support. In no event shall DAA, underlying carrier, or DAA’s IT provider be responsible for security or protection of Customer owned equipment.

2. **Services Term.** The Services Term shall commence upon the Effective Date and shall continue until December 31, 2028. Once the Effective Date has passed, Customer must pay for the Services through the end of the Services Term regardless of whether Customer is actually using the Services throughout the duration of such Term.

Following the expiration of the Services Term and failure of the parties to enter into any agreement for extension thereof, this Agreement and Customer’s license to use the Services, shall continue in effect on a month-to month basis upon the same terms and conditions specified herein, unless terminated by either Customer or “DAA” upon thirty (30) days’ prior written notice to the other party. Notwithstanding the foregoing, Customer’s license to use Services shall, at all times, be contingent upon the election by “DAA” to continue to own or lease or operate the Airport Terminal, and such election to be at the sole discretion of “DAA”.

3. **Termination:**

- a) **Termination for Cause.** Either Party may terminate this Agreement for cause, provided written notice specifying the cause for termination and requesting correction within thirty (30) days is given to the other Party and such cause is not corrected within such thirty (30) day period. Cause is any material breach of any term of this Agreement, provided that in no event shall DAA be liable for the acts, omission or delays caused by third party vendors to DAA (specifically including incumbent carriers) as long as DAA has made commercially reasonable efforts to obtain necessary services on a timely basis. Cause shall include but not be limited to failure of Customer to pay charges when due, improper use of Services resulting in degradation or blockage of the network, fraudulent use of the Services provided, or refusal of the Customer to abide by the term of the Agreement. Unless otherwise stated in this Agreement, if DAA terminates for cause, Customer shall pay as liquidated damages and not as a penalty, the following:
 - a. if such termination is prior to installation of Services, damages shall be those actual and reasonable expenses incurred by DAA through the date of termination;

EXHIBIT D

Internet Access Agreement



- b. If after activation of Services, Customer shall pay in addition to any charges for Services used, damages equaling 80% of the last three months average billing multiplied by the number of months remaining under the term of the Agreement, actual expenses incurred by DAA to initiate or terminate the Services, any installation charges waived, and any discounts or credits granted.

If Customer terminates this Agreement for cause, Customer's sole remedy, in addition to any service credits that Customer may be entitled to, shall be to terminate this Agreement. All reasonable costs and expenses, including but not limited to attorneys fees, court costs and service charges, incurred by the Party terminating for cause in accordance with this section, will be an expense of and charged to the defaulting Party. Remedies under this Agreement are exclusive and limited to those expressly stated in this Agreement.

- b) Termination without Cause. Customer may also terminate the Agreement without cause, upon thirty (30) days written notice; however, the Customer shall pay in addition to any charges for Services used, damages equaling 80% of the last three months average billing multiplied by the number of months remaining under the term of the Agreement, actual expenses incurred by DAA to initiate or terminate the Services, any installation charges waived, and any discounts or credits granted.

4. Services Pricing. For the Services rendered pursuant to this Agreement, Customer shall pay "DAA" \$120 per month. Customer will be invoiced on or around the first of the month for which the service is for. Payment is due by the last day of the month for which it is for. Recurring charges for partial months shall be prorated.

Beginning January 1, 2024, the rate will be established annually in accordance with the rates and charges schedule adopted annually by the Authority. Customer will be advised of the proposed rate at least thirty (30) days prior to adoption by the Authority.

(a) **Payment Terms.** If payment for Services under this agreement is not received within thirty (30) calendar days of the due date DAA may suspend services provided under this agreement and a \$50 reconnection fee shall be charged upon restoration of services.

(b) **Installation Fees.** The Installation Fees are those one-time charges applicable to the initial installation of Services (including, without limitation, installation of fiber, installation of equipment, configuration of equipment and any third party service fees).

(c) **Build-Out Fees.** Build-Out Fees are those one-time charges applicable to individual Services that are outside the standard Service offering. Build-Out Fees are payable in full by Customer to "DAA", and no work will be performed by "DAA", its authorized representatives or Customer to build out the Services prior to the completion and execution of all necessary paperwork and receipt by "DAA" of all applicable Build-Out Fees. Build-Out Fees are not refundable in the event Customer changes or cancels the Services.

5. Content of User Communications. User communications, including any information stored on any devices provided by DAA or its underlying carrier (Paul Bunyan Telephone Cooperative, "PBC"), are the sole responsibility of Customer. Customer agrees to use Service in compliance with all applicable federal, state, and local laws, regulations, court orders and governmental agency orders. Any change in rates, charges or regulations mandated by the legally constituted authorities will act as a modification of any contract to that extent. Customer agrees to use the Service in compliance with any acceptable use policies, rules, or regulations that DAA or PBC may establish to protect the security, integrity, or reliability of its systems.

6. Service Level Commitments. Customer acknowledges that the Services are provided on an "AS IS" basis without warranties of any kind, either expressed or implied, including but not limited to

EXHIBIT D

Internet Access Agreement



warranties of title or implied warranties of merchantability or fitness for a particular purpose. Under no circumstances, including negligence by DAA or any other person or entity involved in providing the Services, shall DAA or its employees, agents, affiliates or subcontractors, be liable to Customer, to any customer of Customer or to any user of the Services, or to any other person for any direct, indirect, incidental, special or consequential damages, including but not limited to loss of profits, that may result from the inability to use, omission, deletion, interruption or any other failure of performances or malfunction of the Services from any cause whatsoever or from any breach of this Agreement. Customer's sole remedy shall be a service credit for the period of time, if any, that the Services were not in operation as required hereunder.

- (a) **Indemnity.** Customer agrees to indemnify and hold harmless DAA and its employees, agents, affiliates and subcontractors of and from any and all obligations, liabilities, claims, damages and costs, including without limitation reasonable attorneys' fees, arising out of or relating to the content of user communications.
- (b) **Force Majeure.** Notwithstanding anything herein to the contrary, any Service level commitments described in this section shall not apply in any situations where delays or outages are caused or exacerbated by conditions beyond the reasonable control of "DAA", including, without limitation, power surges or outages; severe weather and storms; natural disasters; strikes or other labor unrest; power failures; nuclear or other civil or military emergencies; acts of legislative, judicial, executive or administrative authorities; Customer or third-party acts or omissions; denied access; failure of Customer's Equipment, facilities or applications; or force majeure. In addition, all maintenance related outages or delays performed during the Maintenance Window (as defined herein) and any other scheduled maintenance performed outside the Maintenance Window will be excluded from any measurement period hereunder. Scheduled maintenance is defined as any maintenance activity performed outside the Maintenance Window of which Customer has received notice not less than twenty-four (24) hours in advance. Customer's account must be current and have no outstanding balance due in order for Customer to be eligible for any credits. Customer's total credit in any contract year shall not exceed 30 days fees for the covered service type and credits may not be carried over to subsequent years. Customer must request outage credits in writing within 30 calendar days of the outage. Under no circumstances will any tests (for example PING tests) performed by Customer or any other party be recognized by DAA as a valid measurable criterion for outage determination for the purposes of establishing a service credit hereunder.
- (c) **Internet Service.** Internet Access will be available not less than 99.99% of the time within any given calendar month. The scope of this SLC does not include, under any circumstances, any server on the Internet, Customer premise equipment ("CPE") or access service not provided by DAA. DAA will use commercially reasonable and good faith efforts to ensure that eligible outages isolated to DAA's Core Network affecting a Customer's specific resource will be resolved as soon as reasonably possible. Failure to meet this objective may make Customer eligible for a service credit to be applied to Customer's next monthly invoice for Services.

Outage credits will be Customer's sole remedy with respect to such an event. No outage credit will be issued and DAA will not be liable for any service outage caused by any planned maintenance or force majeure event described in section b above. No outage credit will be issued and DAA shall not be liable for any service interruption caused by Customer's equipment or failure of Customer to comply with any requirement of this Agreement. Outage credits are only issued for outages of the fiber provided to the DAA terminal, no outage credits are available for a failure of Internet access provided by PBC. Customer must request outage credit in writing within 30 days of an outage. Outage credits shall not exceed 100% of the monthly Services Pricing in any given month.

EXHIBIT D

Internet Access Agreement



Access Type	Length of Outage	Amount of Credit
Internet Access	>1 hour and <= 4 hours	10%
Internet Access	>4 hours and <= 8 hours	25%
Internet Access	>8 hours and <= 24 hours	50%
Internet Access	>24 hours	100%

7. **Technical Support.** Free technical support is provided by the DAA’s underlying carrier, Paul Bunyan Telephone Cooperative, “PBC”. DAA’s IT provider will provide maintenance and support of DAA owned equipment. Maintenance and support of Customer owned equipment is the sole responsibility of Customer.

8. **Other Services/Customer Specific Terms and Conditions.**

(a) **Default.** In addition to the remedies available to “DAA” under this Agreement and all other remedies available at law or in equity, if Customer fails to perform, or otherwise breaches, its obligations hereunder (including, without limitation, failing to pay for the Services) and Customer fails to remedy such breach within five (5) days after receipt of written notice thereof, “DAA” shall have the right, immediately and without further notice, to discontinue performance hereunder and terminate this Agreement. Any failure of “DAA” to exercise its rights shall not constitute, or be construed by Customer as being, a waiver of any past, present or future right or remedy.

If Customer commits an act of default with respect to the purchase of telecommunications services from “DAA”, which would entitle “DAA” to terminate its services to Customer, then “DAA” shall be entitled to terminate this Agreement,.

(b) **No Conflicts.** In the event of a conflict between the terms and conditions contained in this Agreement or any schedules thereto and those contained in any other Agreement, the terms and conditions of this Agreement shall control. Notwithstanding the foregoing, all existing terms and conditions and any schedules thereto, not expressly amended by the provisions of this Agreement shall remain in full force and effect and apply to the parties hereto.

(c) **No Assignment.** This contract may not be assigned to any third party without the written consent of DAA.

(d) **Services Delivery.** Title to, and ownership of, all equipment and facilities DAA uses in supplying Services is and remains with DAA. DAA will supply Services described in this Agreement in any manner and by means of any equipment, software, and facilities DAA chooses. The method of providing of Services is a matter within DAA’s sole discretion.

(e) **Miscellaneous.** This Agreement shall be governed by the laws of the state of Minnesota. In the event that a court, government agency, or regulatory agency with proper jurisdiction determines that this Agreement or a provision of this Agreement is unlawful, this Agreement, or that provision of the Agreement to the extent it is unlawful, shall terminate. If a provision of this Agreement is terminated but the parties can legally, commercially and practicably continue without the terminated provision, the remainder of the Agreement shall continue in effect.

IN WITNESS WHEREOF, the Parties have signed this Addendum in duplicate on the Effective Date _____

EXHIBIT D
Internet Access Agreement



Duluth Airport Authority

Customer

By _____

By _____

Name _____

Name _____

Title _____

Title _____

TEMPLATE

VII. - E.

DULUTH AIRPORT AUTHORITY AND KRENZEN CORPORATION

VEHICLE RENTAL LEASE AND CONCESSION AGREEMENT NON-EXCLUSIVE RENTAL CAR CONCESSION

The parties to this Agreement are the DULUTH AIRPORT AUTHORITY, a governmental body organized and existing under Chapter 577 of the Laws of Minnesota, 1969, hereinafter known as "Authority", and Krenzen Corporation doing business as Budget Rent-A-Car, a S Corporation organized and incorporated in the State of Minnesota, hereinafter referred to as "Concessionaire".

The parties acknowledge the following:

1. The Authority is a public body created pursuant to Minnesota Laws 1969, Chapter 577 and responsible for the operation of the Duluth International Airport and Sky Harbor Airport located in and adjacent to the City of Duluth, Minnesota, hereinafter referred to as "Airport."
2. The Concessionaire is authorized to conduct business in the State of Minnesota and engaged in the business of providing vehicle rental, storage, maintenance, and related services.
3. The Concessionaire desires to offer vehicle rental and related services to be available to the public at the Airport and the Authority agrees to allow the Concessionaire to conduct such business in facilities at the Airport provided by the Authority.

NOW, THEREFORE, in consideration of their mutual covenants and representations, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree for themselves and their successors and assigns as follows:

SECTION I DEFINITIONS

The following terms, as used in this Agreement, shall have the meanings as ascribed to them hereunder.

- A. Airport: shall mean the Duluth International Airport located in and adjacent to the City of Duluth, County of St. Louis, and the State of Minnesota.
- B. City: shall mean the City of Duluth, Minnesota.
- C. Consent or Approval of Authority and of the Executive Director: where this Agreement calls for the consent or approval of the Authority, the same shall be in the form of a resolution approved by the Authority as provided by law; where the consent or approval of the Executive Director is required, the same shall be evidenced by a written document signed by the Executive Director or authorized designee and shall not unreasonably be withheld or delayed.
- D. Customer Facility Charge (CFC): shall mean a user fee established and subject to amendment from time to time pursuant to resolution by the Authority that will be assessed by Concessionaire for each rental transaction, remitted by Concessionaire to the Authority, and used to pay for eligible rental car related capital improvements and operating

expenses as determined by the Authority. Concessionaires will be consulted prior to the establishment or adjustment of the fee.

- E. Executive Director: shall mean the Executive Director of the Authority or designee.
- F. Gross Revenues: shall refer to all amounts charged to its customers by Concessionaire for or in connection with agreements it secures through its operations and business at the Airport, regardless of whether such amount is actually paid to or received by Concessionaire. Gross Revenues shall include all monies or other consideration of whatsoever nature paid or payable to Concessionaire by customers for all sales made and services performed for cash, credit, or consideration in connection with automobile and vehicle rentals or other products or services provided to persons through Concessionaire's operations at the Airport, without regard to the ownership, area, fleet, or location assignment of vehicles and with regard to the manner in which or place at which the vehicles or other products or services are furnished to Concessionaire's customers and without regard to whether the vehicles or other products are returned to the Airport or to some other location.

Gross Revenues shall include anything and everything that is not specifically excluded. The only exclusions from Gross Revenues permitted under this Agreement shall be the specific exclusions set forth below:

- Federal, state, county, city or international sales, use, or excise taxes now in effect or hereinafter levied on Concessionaire's operations which are separately stated on customers' rental contracts and collected from customers of Concessionaire;
- Those fees referred to in this Agreement as Customer Facility Charges, "CFC's."
- Amounts received specifically for loss, conversion and abandonment of or damages of vehicles or other property of Concessionaire, other than any administrative fees;
- Sums charged to customers by Concessionaire for waiver by Concessionaire of its rights to recover loss or damages from its customers for damage to or destruction of the rental vehicles;
- Amounts received from the sale of vehicles off-Airport premises; provided, however, any amounts paid in connection with automobile and vehicle rentals, or other products or services provided to persons through Concessionaire's operations that are applied to or otherwise reimbursed as a result of the sale of a vehicle shall be not excluded from Gross Revenues; and,
- Reimbursements for amounts actually paid for traffic tickets, tolls and toll violations, and towing and impound fees from its customers to pass through without markup to an independent third party with no amount being retained by Concessionaire. However, any amounts collected above the pass-through amount shall be included as Gross Revenue under this Agreement.
- Discounts to customers taken at the time of the rental only and clearly noted on the rental contract or agreement.

- Direct costs associated with vehicle registration fees.
- G. Internet Access Agreement: shall mean internet service provided by the Authority for an additional fee through a separate agreement as shown on Exhibit D.
- H. Leasehold Improvements: shall mean all improvements and equipment which are affixed to the Leased Premises and which cannot be removed without material damage to the Premises.
- I. Leased Premises: Leased Premises shall mean the office area and rental counter space shown on Exhibit A. Leased Premises shall also include those spaces in the Ready/Return Lot and Overflow Lot as identified in Exhibits B and C as may be amended from time to time by the Executive Director as set forth herein.
- J. Minimum Annual Guarantee: shall mean the annual minimum concession payment requirement to be paid to the Authority by Concessionaire for the right to operate a concession at the Airport.
- K. Overflow Lot: shall mean the parking area designated and subject to adjustment from time to time by the Executive Director for the parking of surplus rental vehicles, also known as overflow parking. All vehicles located in the Overflow Lot shall be used for rentals that are initiated at the Airport for which concession fees are paid solely to the Authority and for intercity inbound rentals which will be rented as an outbound vehicle from the Airport. The Overflow Lot is depicted on Exhibit B as may be amended from time to time by the Executive Director as set forth herein.
- L. Parking Ramp: shall mean the parking structure located at the Airport.
- M. QTA: shall mean a Quick Turn Around Facility which shall consist of a potential future vehicle maintenance, cleaning, and fueling facility.
- N. Ready/Return Lot: shall mean the parking area designated and subject to adjustment from time to time by the Executive Director for parking of vehicles immediately available for customer rental and for customer returns. The Ready/Return Lot is depicted on Exhibits B and C as maybe amended from time to time by the Executive Director as set forth herein.
- O. Terminal: shall mean the commercial terminal building at the Airport as shown on Exhibit A.

SECTION 2 EXHIBITS

The following Exhibits are attached to this Agreement and are incorporated herein:

Exhibit A Terminal Leased Premises
 Exhibit B Ready/Return Spaces-Surface and Overflow Lot
 Exhibit C Ready/Return Spaces- Ramp
 Exhibit D DAA Customer Internet Access Agreement

SECTION 3 CONCESSION

The Authority does hereby grant to the Concessionaire and the Concessionaire hereby accepts from the Authority the nonexclusive right to operate a vehicle rental concession at the Airport for the purpose of offering vehicle rental services to the public under the covenants, conditions, and provisions and in the places set forth in this Agreement.

SECTION 4 TERM

- A. Base Term. The Base Term of this Agreement shall commence on February 20, 2024 and shall remain in effect until midnight December 31, 2028, unless terminated earlier as provided for herein.
- B. Option Term. The parties reserve the right to exercise two (2) additional two (2) year Option Terms beyond the Base Term provided that the parties mutually agree to exercise the Option Term ninety (90) days prior to the end of the Base Term or Option Term. The Option Term shall be under the same terms and conditions as set forth herein.
- C. Holding Over. It is further agreed that in the event that the Base Term expires or is subject to early cancellation as per the terms of this Agreement, the Option Term is not exercised, or a new agreement has not been executed, this Agreement shall continue in effect on a month-to-month basis under the terms and conditions set forth in this Agreement subject to the adjustment of rates and charges and reallocation of parking spaces at the sole discretion of the Executive Director. The Concessionaire will be allowed to hold over at the sole discretion and upon the written consent of the Executive Director, which consent may be withdrawn upon thirty (30) days' written notice to Concessionaire.

SECTION 5 NONEXCLUSIVITY

This concession shall not be construed to be an exclusive concession, and the Authority shall have the right to negotiate and execute substantially similar arrangements with any other individual, firm or corporation for engaging in similar activities at the Airport. The Authority shall not, however, during the term of this Agreement, grant to any other individual, firm or corporation, a similar concession upon terms or conditions materially more favorable than those herein granted Concessionaire.

SECTION 6 LEASED PREMISES

The following Leased Premises are hereby leased to Concessionaire for its use in conducting its business at the Airport:

- A. Exclusive Use Office Area and Rental Counter in the Terminal. Approximately one hundred ninety-six (196) square feet on the first floor of the Terminal at a location designated as offices 114 and 115 and identified on Exhibit A. The space shall be used solely for the handling of vehicle rental business, the making of contracts for such rental, and related matters. If Concessionaire offers dual brands from the Exclusive Use Office Area and Rental Counter in the Terminal, Concessionaire shall be charged one hundred

fifty percent (150%) of the base rental rate for the individual suite. Concessionaire will not be allowed to offer more than three (3) brands from any one suite. If more than one suite is occupied for multiple brands without separation, all space leased shall have the 150% premium applied to the base rental rate.

- B. Spaces in the Ready/Return Lot. The use of 37 spaces in the Ready/Return Lot as identified in Exhibits B and C. Concessionaire will be allocated and required to lease a minimum of thirty-seven (37) spaces in the Ready/Return Lot. The Executive Director will exercise best efforts to assign spaces with reasonable access and visibility so as not to put any vehicle rental concessionaire at a competitive disadvantage. It is expressly agreed by Concessionaire that said spaces shall be used for parking of vehicles immediately available for rental and for customer returns and for no other purpose. Furthermore, Concessionaire acknowledges that there will be other vehicle rental concessionaires operating at the Airport under the same or similar agreement, that said concessionaires will also have parking privileges in the Ready/Return Lot. The Executive Director will use his best efforts to make available the requested number of spaces to satisfy the needs of all vehicle rental concessionaires in such allocation. After consultation with rental vehicle concessionaires, allocation of spaces in the Ready/Return Lot may be increased or decreased by the Executive Director annually upon thirty (30) days' written notice. In the event the number of spaces is adjusted, payments and fees will be adjusted to become effective upon the date of any such modification. Exhibits B and C will be amended and made a part of this Agreement to reflect any such adjustments.
- C. Spaces in the Overflow Lot. There are 65 spaces in the Overflow Lot as identified in Exhibit B. It is expressly agreed by Concessionaire that said spaces shall be used for parking of surplus vehicles, also known as overflow parking, specifically for rentals initiated at the Airport for which Concessionaire will pay a concession fee solely to the Authority, and for inbound intercity rentals which shall be rented as outbound rentals from the Airport. Furthermore, Concessionaire acknowledges that there will be other vehicle rental concessionaires operating at the Airport, that said concessionaires will also have similar parking privileges in the Overflow Lot. The Executive Director will use his/her best efforts to make available the requested number of spaces to satisfy the needs of all vehicle rental concessionaires in such allocations. Concessionaire shall be required to pay for those spaces which it is allocated. Allocation and location of spaces in the Overflow Lot will be established by the Executive Director prior to the execution of this Agreement. Said allocation and location will be reviewed and subject to adjustment bi-annually upon thirty (30) days' written notice to Concessionaire commencing November 1, 2024 and each May 1 and November 1 thereafter. The Executive Director will consult with the Concessionaire prior to making any adjustments and will take into consideration the needs of the Concessionaire in relation to the needs of other vehicle rental concessionaires in making the final allocation decision. In the event the number of spaces is adjusted, payments and fees will be adjusted to become effective upon the date of any such modification. Exhibit B will be amended and made part of this Agreement to reflect any such adjustments.

SECTION 7 CUSTOMER FACILITY CHARGE

Commencing for all rentals booked on January 1, 2024 and thereafter, the Concessionaire acknowledges the collection of a Customer Facility Charge (CFC) which shall be collected on all vehicle rental transactions at the Airport. The CFC rates will be established by resolution of the Authority following consultation with Concessionaire and other vehicle rental concessionaires

operating at the Airport. The CFC will be collected by the Concessionaire on all rentals, reported monthly on forms provided by the Authority, and paid to the Authority on or before the fifteenth (15th) day following the end of the month to which the CFC applies. All CFC's collected by the Concessionaire shall be held in trust and paid promptly to the Authority. Payments received will be deposited by the Authority and dedicated for CFC eligible costs which may include design and construction of new parking areas, design and construction of a QTA, restoration of the surface locations leased by vehicle rental concessionaires, Ready/Return Lot, Overflow Lot, Parking Ramp, signage, concessionaire office area and rental counter improvements, and other CFC eligible costs associated with the operation and maintenance of vehicle rental facilities.

SECTION 8 PAYMENTS AND FEES

Concessionaire hereby agrees to pay Authority for the rights and privileges granted hereunder as follows:

- A. Office Area and Rental Counter Base Rental Rate. For the use of the office area and rental counter space on the first floor of the Terminal:

January 1, 2024 - December 31, 2028: \$43.58 per square foot per year.

Beginning January 1, 2024, the rental rate will be established annually in accordance with the rates and charges schedule adopted annually by the Authority. Concessionaire will be advised of the proposed rate at least thirty (30) days prior to adoption by the Authority.

- B. Ready/Return/Overflow Lot. For each parking space allocated to Concessionaire in Ready/Return/Overflow Lot:

January 1, 2024 – December 31, 2028: \$18.63 per space per year plus sales tax.

Beginning January 1, 2024, the rental rate will be established annually in accordance with the rates and charges schedule adopted annually by the Authority. Concessionaire will be advised of the proposed rate at least thirty (30) days prior to adoption by the Authority.

- C. Concession Fee. In addition to the rental payments above, Concessionaire shall pay as a concession fee to the Authority a Minimum Annual Guarantee (MAG) or ten percent (10%) of Concessionaire's Gross Revenues arising out of the operations hereunder, whichever is greater. The 2024 MAG will be the amount equal to multiplying the Gross Revenues from the immediate preceding year by eighty percent (80%) and that amount by ten percent (10%). The MAG will be adjusted annually commencing January 1, 2025 and each January 1 thereafter for the Term of this Agreement to an amount equal to multiplying the Gross Revenues from the immediate preceding year by eighty percent (80%) and that amount by ten percent (10%), but in no event shall the MAG for any year be less than fifty nine thousand one hundred and sixty five dollars (\$59,165.00) during the term of this Agreement.

Ten Percent (10%) of Concessionaire's Gross Revenues shall be due and payable to Authority on a monthly basis. Concessionaire shall furnish a statement of Gross Revenues on or before the fifteenth (15th) day of each month following the month to which such Gross Revenues or MAG relate. Payment shall be due and payable within ten (10) days thereafter.

Commencing on December 31, 2024 and each December 31 thereafter during the Term of the Agreement there shall be a reconciliation of the payments made to the Authority. If the reconciliation discloses the Concessionaire owes additional amounts to the Authority, Concessionaire will pay those amounts within 15 days upon receipt of invoice. If the reconciliation discloses that Concessionaire has overpaid the Authority, the amount shall be refunded by the Authority to Concessionaire within thirty (30) calendar days after completion of the reconciliation.

In the event of a major traffic reduction at the Airport during the term of this agreement, due to a federally declared public health emergency, the MAG hereinabove provided for in the Section C above shall be abated for the period of time the condition exists. A major traffic reduction at the Airport shall be defined as a thirty percent (30%) reduction in the number of passengers deplaning on scheduled airline flights at the Airport during any period of three (3) consecutive calendar months as compared to the number of such deplaning passengers in the same calendar months during the preceding calendar year excluding seasonal and charter scheduled airline service. During the period of the abated MAG, only the ten percent (10%) Concession Fee of Gross Revenues will be due and payable to the Authority. Any abated MAG will be removed from the overall requirement in the year end reconciliation.

Concessionaire and Authority agree that if there is a new rental vehicle company (New Entrant) at the Airport, the Minimum Annual Guarantee shall be renegotiated and the contract shall be amended to reflect any adjustment that is agreed upon.

D. Pass Through Concession Fee. Concessionaire acknowledges that the payments by Concessionaire to the Authority under this Agreement are for Concessionaire's use of the facilities and access to the Airport market, and that none of those payments reflects a fee that is imposed by the Authority upon customers renting vehicles from Concessionaire. The Authority does not require but will not prohibit the separate statement of the Concession Fee on customer invoices or rental contracts ("invoices"), provided that Concessionaire meets all the following conditions:

1. Such fee is titled "Concession Recovery Fee";
2. Such fee shall be immediately below all concessionable items and not immediately adjacent to taxes on customer invoices;
3. If Concessionaire elects to designate a Concession Recover Fee on customer invoices, Concessionaire complies with all applicable laws including Federal Trade Commission requirements;
4. The Concession Recovery Fee percentage stated on the invoice and charged to the customer shall not exceed 11.11%.

E. Additional Fees. Additional fees may include charges for special items or activities including, but not limited to, employee parking and badging fees. The Authority may assess reasonable, non-discriminatory charges for these special items or activities. All new charges will be reviewed with Concessionaire prior to implementation. Other charges payable by Concessionaire, shall be paid by Concessionaire to Authority by due date on invoice.

F. Fee for Failure to Maintain. In the event that Concessionaire fails to keep the Leased Premises in a neat, clean, orderly and sanitary condition as is required by this Agreement and the Executive Director has issued a written notice of such deficiency and provided a

reasonable cure period as determined solely by the Executive Director, Authority may itself clean or cause to be cleaned those portions of the Leased Premises not so kept, and Concessionaire agrees to reimburse Authority for the direct and indirect costs incurred by Authority for the performance of said work plus a fifteen percent (15%) administrative fee, due and payable upon the date of the invoice.

- G. Fee for Repair and Replacement. Concessionaire shall promptly repair or replace any property of the Authority lost, destroyed or damaged by its operations hereunder. If Concessionaire fails to promptly repair or replace such property following written notice by the Executive Director of such deficiency and a reasonable cure period as determined solely by the Executive Director, Authority may repair or replace it and Concessionaire agrees to reimburse for the direct and indirect costs incurred by Authority for such repair or replacement plus a fifteen (15%) percent administrative fee, due and payable upon the date of the invoice.
- H. Fee for Unpaid Licenses, Fees, Taxes, and Assessments. Concessionaire hereby agrees to pay all licenses, fees, taxes and assessments of any kind whatsoever which arise because of, or in the course of any operations covered by this Agreement during the term hereof. Should Concessionaire fail to pay such amounts following written notice of such deficiency and a reasonable cure period as determined solely by the Executive Director, it is expressly agreed that Authority may pay the same on behalf of Concessionaire, and Concessionaire agrees to reimburse Authority for said amounts paid plus a fifteen percent (15%) administrative fee due and payable upon the date of the invoice.

SECTION 9 UTILITIES & INTERNET ACCESS AGREEMENT

The Authority agrees to provide such heat, electricity, internet infrastructure, telephone infrastructure, water and sewage as are reasonable necessary for Concessionaire's operations at no additional cost to Concessionaire. Concessionaire shall be responsible for providing and installing all telephone systems and computer systems at its sole expense.

Concessionaire shall be required to sign a separate Internet Access Agreement with Authority for internet services during the Term of this Agreement. Interest Access Agreement attached hereto as Exhibit D. Internet Access Agreement must be completed by June 1, 2024.

SECTION 10 PERFORMANCE BOND/ SECURITY DEPOSIT

- A. To guarantee its performance of all of the conditions and obligations under this Agreement, Concessionaire agrees to secure a performance bond or provide a security deposit issued to the Authority in the amount equal to twenty five percent (25%) of 2023 MAG. If a bond, it must be secured from a surety which is acceptable to the Executive Director and guaranteeing performance by the Concessionaire of all of the terms and conditions of this Agreement and further guaranteeing all payments to be made hereunder. Said bond shall further include a requirement that the surety notify the Authority in writing at least thirty (30) days prior to the cancellation or termination of said performance bond. It is agreed that the amount of such bond may not be diminished below the required amount as set forth herein during the term of this Agreement. As an alternative and in lieu of a performance bond, Concessionaire may deposit with the Authority the required amount.

- B. The Executive Director may waive the Performance Bond/Security Deposit requirement provided Concessionaire has remained in compliance with the terms and conditions of this Agreement and has remained current on all payments due under this Agreement for a period of one (1) year. If Concessionaire has met this requirement over the past twelve months prior to the commencement of this Agreement, it will qualify for such waiver. If Concessionaire has the requirement waived and subsequently is determined to be in default as called for in this Agreement or has delinquent payments due the Authority, Authority reserves the right to reinstitute the Performance Bond/Security Deposit requirement subject to the terms of this SECTION.

**SECTION 11
ACTIVITIES PERMITTED ON AIRPORT**

- A. On-Airport Vehicle Rental Concession. Concessionaire shall have the right to use the Leased Premises at the Airport identified in this Agreement for the conduct of an on-airport vehicle rental concession as herein provided.
- B. Public Areas and Roadways. Concessionaire shall have access to and the right to use public areas and roadways at the Airport in like manner as the general public, but Concessionaire shall in no way infringe upon the rights of the public to so use such public areas and roadways.

**SECTION 12
CONSTRUCTION AND LEASEHOLD IMPROVEMENTS**

- A. Approval of Executive Director. In the event that Concessionaire wishes to make any Leasehold Improvements, Concessionaire shall submit a written request to the Executive Director together with design development or construction drawings showing all details of said Leasehold Improvement. No Leasehold Improvement shall be made in the Leased Premises without the prior written approval of the Executive Director, which decision shall not be unreasonably delayed, and then only in conformance with the approved plans and this SECTION.
- B. Regulations and Standards. All work performed on behalf of Concessionaire shall conform to all applicable regulations, building design standards, building codes and health standards, as well as the following requirements:
1. All construction shall meet the requirement of Type I (fire resistant) construction as set forth in the Minnesota State Building Code (current edition) and the building standards for the Airport.
 2. Complete contract drawings and specifications on all work, including alterations, additions or replacements, must be submitted for and receive approval of the Executive Director. Concessionaire will be responsible for delivering to the Authority at no cost "as built" drawings and an electronic version, of same, or any reasonable substitute as agreed to in writing by the Executive Director, within sixty (60) days of completion of any Leasehold Improvement.
 3. All work must be done by qualified and licensed contractors authorized to do business at the Airport in the time and manner approved by and coordinated with the Executive Director. Concessionaire shall comply with the indemnity and insurance and bond requirements of this Agreement. Work must be performed

such that it may not have a material impact on the operations of the Airport or negatively impact any tenants operating at the Airport as determined in the sole discretion of the Executive Director.

4. An authorized representative of Concessionaire shall be available at all reasonable times at the site to coordinate the work of the Leasehold Improvements.

C. Construction Bonds and Insurance.

1. Bonds: During the term of this Agreement, when any Leasehold Improvements are constructed, installed or renovated, Concessionaire shall procure and furnish to the Executive Director a bond or bonds written by a company or companies authorized to write such bonds in the State of Minnesota and who are acceptable to the Executive Director, in an amount not less than the cost of such construction, installation or renovation, for the use of obligee, Concessionaire and the Authority and all persons doing work or furnishing skills, tools, machinery, materials, insurance premiums, equipment or supplies incident to such construction, installation or renovation, such bond or bonds to be conditioned for payment of claims as required and in full compliance with Minnesota Statutes Section 574.26. Further, during the term of this Agreement, for any construction, installation or renovation of Leasehold Improvements, and before the commencement of work thereon, Concessionaire shall furnish to Authority performance bonds, written by similarly qualified companies, covering all work to be performed thereunder guaranteeing the performance of all such work.
2. Contractor's Public Liability and Property Insurance. Before commencing any Leasehold Improvement on the Leased Premises, Concessionaire shall itself or shall require all contractors and subcontractors to procure and maintain insurance during the life of such contracts, protecting both the Authority, the City of Duluth and the Concessionaire as follows:
 - i. Workers' Compensation Insurance.
 - ii. Contractors Comprehensive Public Liability and Property Damage Insurance.
 - iii. Contractors Automobile Liability and Property Damage Insurance, including automobile and non-ownership and hired cars.
 - iv. Owners Protective Public Liability and Protective Property Damage Insurance.
 - v. Builders Risk Insurance (fire, extended coverage, vandalism and malicious mischief, including sprinkler leakage).

Amounts shall not be less than One Million Five Hundred Thousand Dollars (\$1,500,000) for injuries, including accidental death to any one person, and subject to same limit for each person, and in an amount not less than One Million Five Hundred Thousand Dollars (\$1,500,000) for any one accident with a One Million Five Hundred Thousand Dollar (\$1,500,000) aggregate for the policy. Insurance, as above provided, shall be kept intact and in force throughout the term of construction work and equipment installation on the Leased Premises. Such insurance shall be subject to the approval of the Executive Director and copies furnished to the Executive Director prior to the commencement of construction.

- D. Subsequent Leasehold Improvements: Any changes in, additions to or deletions from existing or later constructed Leasehold Improvements shall be subject to the prior approval

of the Executive Director and Executive Director may impose such conditions as it shall deem necessary to protect the Authority and the integrity of all operations at the Airport, including, but not limited to, bonding and insurance requirements.

SECTION I3 CONCESSIONAIRE'S RIGHTS

During the term of this Agreement, Concessionaire shall have the following rights subject to other terms and conditions hereof:

- A. To install, operate and maintain upon the Leased Premises at Concessionaire's sole expense, signs advertising Concessionaire's business consistent with Authority's building signage standards, subject to the prior written approval of the design by the Executive Director, which decision shall not be unreasonably delayed.
- B. To remove upon termination of this Agreement and within ten (10) days thereafter such items as may have been installed in and upon Leased Premises by Concessionaire pursuant to this Agreement. Upon removal, Concessionaire will repair the Leased Premises where the installed items have been removed to original condition, normal wear and tear excepted.
- C. To the joint use with others of roads and driveways useful in the conduct, operation and maintenance of Concessionaire's vehicle rental operation. Concessionaire and its employees, agents, contractors, and assigns shall have no right under this Agreement to park vehicles at the Airport at any location other than that designated by the Executive Director.

SECTION I4 CONCESSIONAIRE'S COVENANTS

Concessionaire hereby covenants and agrees:

- A. To furnish good, prompt and efficient service adequate to meet all reasonable demands for vehicle rental business at the Airport on a fair and reasonable basis, and to charge for such service at a fair and reasonable price. Said service shall be similar to those services rendered by Concessionaire or affiliates of Concessionaire as well as other vehicle rental concessionaires in similarly sized airports in the surrounding five state area, provided, however, that service provided by Concessionaire at the Airport shall conform to all standards herein specified.
- B. To use its best efforts in every proper manner to develop and increase the business of the rental of vehicles at the Airport for those customers utilizing the resources of the Airport.
- C. That it will not divert or cause or allow to be diverted any vehicle rentals from its place of business at the Airport for customers utilizing the resources of the Airport to any other local location under the same brand as Concessionaire.
- D. That rental vehicles made available hereunder shall be maintained at Concessionaire's sole expense in good operating order, free from known mechanical defects, safe, and in clean, neat and attractive condition inside and out, and in no case shall vehicles be older

than the most current model year at any time available or than the four (4) model years immediately preceding said current model year.

- E. That the facilities to be provided by Concessionaire hereunder for the purpose of providing vehicle rental business at the Airport shall remain open and be staffed by such personnel as are necessary for the conducting of Concessionaire's business during all times for scheduled airline arrivals and departures. Specific hours shall be determined periodically by the Executive Director upon consultation with Concessionaire; but in all cases Concessionaire shall remain open to meet anticipated customer needs. Concessionaire may install as a facility hereunder on the Leased Premises to be used by it, or at such other place as the parties may agree upon, a direct line telephone to the nearest office of the Concessionaire for the purpose of supplying vehicle rental service to customers during those periods when its facilities are not required to be open.
- F. That personnel performing services hereunder shall be neat, clean and courteous, and dressed in the approved corporate attire, and Concessionaire shall not permit its agents, servants, contractors, or employees to solicit or conduct business outside of the Leased Premises or conduct business in a loud, noisy, boisterous, offensive or objectionable manner.
- G. That Concessionaire shall abide by, and require its agents, contractors, and employees to abide by, and be subject to all rules and regulations which are now, or may from time to time, be promulgated by the Authority or the Executive Director concerning the management, operation, or use of the Airport, and specifically to abide by all provisions of the Airport Security Plan on file in the office of the Executive Director. Concessionaire must comply with all security requirements of the Authority, Department of Homeland Security, and any other governing agency. Concessionaire further agrees to provide at its sole cost for all of its agents, contractors and employees serving at the Airport and for them to have in their possession, Airport Identification badges as required by the Executive Director.
- H. That Concessionaire will maintain, in accordance with generally accepted accounting practices for six (6) years after each year during which the contract is in effect, all records, documents and books of account recording all transactions of the business conducted by Concessionaire at the Airport within the City of Duluth, and within a thirty (30) mile radius of said City of Duluth, which records, documents, and books of account shall be held accessible to the Authority and its representatives at any time upon reasonable demand by the Executive Director. Concessionaire further agrees to use only numbered vehicle rental agreements for all business conducted at the Airport. The license number of the vehicle rented pursuant to any such agreement shall appear on the face of that agreement. Concessionaire agrees to submit complete sets of all numbered rental agreements within ten (10) working days upon written demand.
- I. To permit in ordinary business hours and for the period identified in Section 14 (H) above, the examination and audit by the Authority and/or the Legislative or State Auditor or their representatives, of any records, documents or books of account of Concessionaire pertaining to vehicle rentals of the Concessionaire's vehicle rental business regardless of where such business may be done. Concessionaire must provide the records requested within five (5) days upon receipt of notice. If as a result of such inspection and upon audit, deficiency in payments made to the Authority hereunder of more than five percent (5%) is

disclosed, the cost of audit shall be borne by the Concessionaire due and payable upon demand. Otherwise, the cost of inspection and audit shall be borne by the Authority.

- J. To permit the inspection by officers, employees and representatives of the Authority of any equipment or device used by Concessionaire for the purpose of computing the rates and charges of rentals or service.
- K. That it will meet all expenses in connection with the use of the Leased Premises hereunder, and the rights and privileges herein granted, including, without limitation by reason of enumeration, taxes, permit fees, license fees and assessments lawfully levied or assessed upon the Leased Premises or structures and Leasehold Improvements at any time situated thereon, and that it will secure all such permits and licenses as may be necessary.
- L. That it will furnish, install, operate and maintain the Leasehold Improvements provided hereunder, and keep the same, as well as the Leased Premises and the furniture, fixtures and equipment installed therein and thereon, all in good order, condition and repair.
- M. That it will permit the Authority at any time, and as often as the Authority deems necessary, to inspect the vehicles, machines and other equipment used by Concessionaire in the conduct of its business, and upon request shall demonstrate any such vehicles, machines or equipment. Upon notification by the Authority that reasonable grounds exist to question the safety or efficiency of any vehicle, machine or equipment, Concessionaire shall immediately remove the same from service and provide a satisfactory substitute.
- N. That it shall not do or permit to be done any act which:
 - 1. Will invalidate or be in conflict with any fire insurance policies covering the Airport and Authority or any part thereof or upon the contents of any building thereon, or
 - 2. Will increase the rate of any fire insurance at the Airport or charged to the Authority or any part thereof, or upon the contents of any building thereon, or
 - 3. In the opinion of the Authority, will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Agreement.

If by any reason of the Concessionaire's failure to comply with the provisions of this section, any fire insurance rate at the Airport, or any part thereof, or upon the contents of any building thereon, shall at any time be higher than it otherwise would be, then the Concessionaire shall upon demand pay the Authority that part of all fire insurance premiums paid or payable by the Authority which shall have been charged because of such violation by the Concessionaire.

- O. That no advertising signs shall be used or displayed by Concessionaire other than those approved in writing by the Executive Director, and no video or audio advertising shall be permitted.

**SECTION 15
LAWS, ORDINANCES, RULES AND NON-DISCRIMINATION**

- A. Laws, Ordinances and Rules: The Concessionaire agrees to observe and comply with all the laws, ordinances, rules and regulations of the United States of America, State of

Minnesota, the City of Duluth, the Authority, and any agency, department of governmental subdivision thereof, including but not limited to the Department of Homeland Security and the Federal Aviation Administration and their respective agencies now in effect or hereinafter promulgated which are applicable to its business at the Airport including all laws relating to unlawful discrimination, and further agrees to observe and comply with all Airport rules and regulations in existence at the execution of this agreement and which may, from time to time, be promulgated by the Authority governing conduct on and operations at the Airport and the use of its facilities, as administered by the Executive Director. Further, Concessionaire agrees to fulfill its responsibilities pursuant to the Airport Security Plan approved by the Federal Aviation Administration and any amendments thereto.

- B. Non-discrimination: The Concessionaire for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant with the land that:
- a. No person on the grounds of race, color, religion, sex, creed, age, disability, or national origin or ancestry, lawful source of income, marital status or familial status shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities; and
 - b. In the construction of any improvement on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, religion, sex, creed, age, disability, or national origin or ancestry, lawful source of income, marital status or familial status shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and
 - c. That the Concessionaire shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

SECTION 16 INDEMNIFICATION

- A. Concessionaire shall indemnify, save, hold harmless, and defend Authority and the City, their officials, agents and employees, successors and assigns, individually or collectively, from and against any claim including a claim for contribution or indemnity, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to, reasonable attorneys' fees, disbursements, court costs, and expert fees) based upon injury to persons, including death, or damage to property arising out of, resulting from, in conjunction with or incident to Concessionaire's operation of its business and/or performance of its obligations under this Agreement or use and/or occupancy of the Leased Premises or of the Airport, except where said claims, actions, losses, and damages are solely the result of the intentional or negligent acts of the Authority or the City, and on ten (10) days' written notice from the Authority, the Concessionaire shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage.
- B. Concessionaire shall indemnify, save, hold harmless, and defend Authority and the City, their officials, agents and employees, successors and assigns, individually or collectively, from and against any claim including a claim for contribution or indemnity, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including,

but not limited to, reasonable attorneys' fees, disbursements, court costs, and expert fees) and any fines in any way arising from or based upon the violation of any federal, state, or municipal laws, statutes, resolutions, or regulations, including rules or regulations of the Authority now in effect or hereafter promulgated, by Concessionaire, its agents, employees, or successors and assigns in conjunction with or incident to Concessionaire's operation of its business and/or performance of its obligations under this Agreement or use and/or occupancy of the Leased Premises or of the Airport, and on ten (10) days' written notice from the Authority, the Concessionaire shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage.

- C. The provisions of this Section shall survive the expiration, termination or early cancellation of this Agreement.

SECTION 17 ENVIRONMENTAL LIABILITY AND INDEMNIFICATION

In addition to the general indemnity stated in Section 16, and as part of it, it is specifically agreed between the parties that Concessionaire shall be responsible in all respects for Concessionaire's use of, or Concessionaire's generation of, or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic or dangerous substance, solid waste or a "hazardous waste" by either the United States Environmental Protection Agency or the Minnesota Pollution Control Agency. Concessionaire shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and response costs, monitoring, or cleanup of any environmental condition deemed by those agencies, or either of them, to require environmental response, monitoring or cleanup activities of any kind whatsoever which arise out of Concessionaire's use of, or generation of, such substances in its operations at the Airport, and, Concessionaire specifically agrees that the obligations of Section 15 above shall apply specifically to any cost or obligations of the Authority or City arising out of such response, disposition and/or clean up. The provisions of this Section shall survive the expiration, termination or early cancellation of this Agreement.

SECTION 18 INSURANCE

- A. Insurance Requirements. Concessionaire shall carry and maintain in full force and effect during the term of this Agreement the minimum amounts of insurance set forth below. The Concessionaire shall carry workers' compensation insurance on all of its employees employed on the Airport. Concessionaire may request the Authority to approve alternative types of insurance providing at least equal protection. All such insurance shall be in at least the following amounts and shall be in a form acceptable to the Authority and approved by the City Attorney, shall name the Authority and the City of Duluth as additional insureds on each liability policy and shall provide for thirty (30) days' written notice to the Authority of any cancellation or modification thereof. Certified copies thereof or appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority prior to the execution of this agreement. The Authority reserves the right and Concessionaire agrees to revisions upward or downward in the minimum insurance requirements hereinafter set forth. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota. All insurance policies required below

shall be primary and shall not require contribution from any coverage maintained by the Authority and/or the City.

1. Commercial general liability insurance of not less than \$2,000,000.00 per occurrence for bodily injury, personal injury and property damage.
 2. Business Automobile Liability Insurance of not less than \$2,000,000.00 per occurrence including owned and/or leased automobile liability and non-owned and hired automobile liability.
 3. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.
- B. Insurance Primary. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- C. Additional Insureds. Authority and City shall be named as additional insureds on each of the policies above except the Workers' Compensation policy.
- D. Insurance Not Limitation: It is understood that the specified amounts of insurance stated in this paragraph shall in no way limit the liability of Concessionaire under this Section.
- E. Disclaimer: Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Concessionaire's interests and liabilities. It shall be the obligation and responsibility of Concessionaire to insure, as it deems prudent, its own personal property, against damage. Authority does not have insurance coverage for Concessionaire's property and Authority expressly disclaims any and all liability for any and all losses, damage and/or claims to vehicles and/or personal possessions of Concessionaire.

SECTION 19 SURRENDER OF POSSESSION

Upon the termination of this Agreement, Concessionaire's authority to use the Leased Premises, rights, facilities and equipment herein granted shall cease and Concessionaire shall, upon expiration or termination, promptly and in good condition, normal wear and tear excepted, surrender the same to the Authority. In the event that Concessionaire has in any way changed, altered or modified the Leased Premises demised herein, Concessionaire covenants to return the same to the condition they were in at the time of the occupancy under this Agreement, normal wear and tear excepted, or, in the alternative, to pay the Authority for the cost of returning them to said condition. Upon termination, any improvements which have become part of the realty shall become the property of the Authority, and the same shall be immediately returned to the ownership and control of the Authority. Any improvements not part of the realty shall be removed therefrom within ten (10) days after the termination of this Agreement or the same shall be deemed to have been abandoned to the Authority and the right of the Concessionaire to possession thereof shall cease.

SECTION 20 AUTHORITY'S RIGHTS UPON DEFAULT

- A. Rights Upon Default. If at any time Concessionaire shall be in default, as defined in this Section, with regard to the requirements of this Agreement, it shall be lawful for the Authority, and the Authority may at any time thereafter:

1. Immediately, or at any time thereafter without further notice to Concessionaire, re-enter into or upon the Leased Premises under this Agreement or any part thereof and take possession of the same fully and absolutely without such re-entry representing a forfeiture of the rentals, fees, and charges to be paid and of the covenants, terms and conditions to be performed by Concessionaire for the full term of this Agreement, and in the event of such re-entry, the Authority may proceed with the collection of rentals, fees, and charges to be paid under this Agreement or to recover properly measured damages.
2. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter provided and re-enter upon said Leased Premises as of its former estate therein, and the Concessionaire covenants in case of such termination to indemnify the Authority against all loss of rentals, fees, and charges which the Authority has suffered or paid by reason of such termination, during the remainder of the term of this Agreement.
3. The Authority shall further have all other rights and remedies at law or in equity including injunctive relief, or summary proceedings for unlawful detainer, and any or all legal remedies, actions and proceedings shall be deemed cumulative.

B. Default Defined. "Default" shall be defined when any of the following circumstances exist:

1. If the Concessionaire has failed to pay rentals, fees, charges, CFC's, or taxes when due hereunder and such failure to pay shall continue for fifteen (15) days after written notice to Concessionaire in the manner hereinafter provided.
2. Failure to provide and/or maintain the insurance coverages required herein.
3. If the Concessionaire fails in the observance or performance of any of the other terms, covenants and conditions of this Agreement and such failure shall continue for fifteen (15) days after Authority has given Concessionaire written notice, or the Concessionaire shall have failed to commence the corrective action of such failure within fifteen (15) days after such notice and to diligently prosecute the same where the same cannot be completed within fifteen (15) days.
4. If a petition to reorganize the Concessionaire or for its arrangement of its unsecured debts shall be filed.
5. If the Concessionaire shall be adjudicated bankrupt.
6. If a receiver or trustee of the Concessionaire's property shall be appointed by any court.
7. If the Concessionaire shall make a general assignment for the benefit of creditors.
8. If all of the interest of the Concessionaire in its property shall be taken by garnishment, attachment, execution or other process of law.
9. If the Leased Premises shall be deserted or vacated.

- C. Attorneys' Fees and Costs. In the event Authority shall prevail in any action or suit or proceeding brought by Authority to collect the rentals, fees, charges, CFC's, or taxes due or to become due hereunder or any portion thereof, or to take possession of the Leased Premises, or to enforce compliance with this Agreement or for failure to observe any of the covenants of this Agreement, Concessionaire agrees to pay Authority such sums as a court may adjudge reasonable as attorneys' fees and costs to be allowed in such action, suit or proceeding.
- D. Non-Waiver. No waiver or default by Authority of any of the terms, covenants or conditions hereof to be performed, kept and observed by Concessionaire shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Concessionaire.

SECTION 21 CONCESSIONAIRE'S TERMINATION RIGHTS

Concessionaire shall have the right upon written notice to the Authority to terminate this Agreement upon the happening of one or more of the following events, if said event or events are then continuing:

- A. The issuance by any court of competent jurisdiction of an injunction, order or decree: (1) preventing or restraining the use by Concessionaire of all or any substantial part of the Leased Premises used and occupied by Concessionaire hereunder, or (2) preventing or restraining the use of all or a part of the Airport for normal airport purposes which may be used by Concessionaire and which is necessary for its operations on the Airport, or (3) preventing Concessionaire from operating an vehicle rental business and which injunction, order or decree remains in force for a period of at least ninety (90) days.
- B. If Authority defaults in any of the terms, covenants or conditions under this Agreement and fails to cure the default or make substantial progress with regard thereto within ninety (90) days following receipt of written demand from Concessionaire to do so.
- C. If all or a material part of the Leased Premises used and occupied by Concessionaire hereunder is damaged or destroyed or all or a part of the Airport or Airport facilities which are necessary to the operation of Concessionaire's business are damaged or destroyed or the use thereof disrupted for causes beyond Concessionaire's control.
- D. If, by reason of any action of any governmental authority, Concessionaire is unable to conduct its business for a period of in excess of ninety (90) consecutive days in substantially the same manner or substantially to the same extent as prior to such action.
- E. Permanent abandonment of Airport for scheduled airline service.

SECTION 22 SUBLEASES AND ASSIGNMENTS

Concessionaire shall not assign or transfer this Agreement, in whole or in part, in any manner, nor any interest therein, nor permit the foregoing Agreement to become transferred by operation of law or otherwise, nor do or suffer any acts to be done whereby the same may be or become assigned in whole or in part, unless the written consent of Authority shall first be obtained in each and every case of subletting, assignment or transfer. It is expressly agreed by the parties that a

change in ownership of the controlling share of stock in Concessionaire, if any, shall be deemed to be an assignment hereunder. It is expressly agreed by the Concessionaire that in the event permission be granted by the Authority as herein provided, the sub-lessee or assignee shall be required to assume and agree to perform the covenants of this Agreement and that notwithstanding any such subletting or assignment, the Concessionaire shall be and remain liable for the payments of all rents and other payments due hereunder and the performance of all covenants and conditions for the full term of this Agreement.

SECTION 23 SUBORDINATION

This Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States of America or the State of Minnesota relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or State funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.

SECTION 24 MODIFICATION

Any of the terms of this Agreement may be changed upon the mutual consent of the Authority and the Concessionaire, but to be valid any such changes must be in writing, dated, and must be executed with the same formalities as this Agreement. In the event that any provision of this Agreement is determined to violate any local, state, or federal rule or regulation or is deemed to cause a violation of any rate covenants, the Agreement shall be modified upon consultation with Concessionaire to cause such violation to be compliant with such provision and an amendment will be executed on a timely basis to incorporate the required changes.

SECTION 25 NOTICES

Any notice provided for in this Agreement or otherwise to the Authority shall be sent to:

Duluth Airport Authority
Executive Director
Duluth International Airport
4701 Grinden Drive
Duluth, Minnesota 55811.

Any notice to the Concessionaire hereunder shall be sent to:

Krenzen Corporation
Howie Krenzen
2500 Mall Drive
Duluth, MN 55811

SECTION 26 AGREEMENT NOT LICENSE

Nothing contained herein shall be construed to be a grant of a franchise, consent, license, permit, right or privilege of any nature or kind whatsoever to operate omnibuses, taxicabs, or any other vehicles or conveyances carrying passengers or property, whether for hire or otherwise, outside

the Airport or over the public street or roads located in any political subdivision of the State of Minnesota.

**SECTION 27
APPLICABLE LAW**

This Agreement, together with all of its SECTIONS, terms and provision, is made in the State of Minnesota and shall be construed and interpreted according to the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota. However, litigation in the federal courts involving the parties shall be in the appropriate federal court within the State of Minnesota. The parties to this Agreement waive any objections to the jurisdiction of these courts, whether based on convenience or otherwise.

**SECTION 28
SEVERABILITY**

In the event any provision of this Agreement shall be deemed invalid or unenforceable, the remaining provisions shall continue in force and effect and shall be binding upon the parties to this Agreement.

**SECTION 29
NONWAIVER OF LIABILITY**

Nothing in this Agreement constitutes a waiver by the Authority or the City of any statutory or common law defenses, immunities, or limits on liability. The liability of the Authority and the City shall be governed by the provisions of the Minnesota Municipal Liability Tort Act, Minn. Stat. 466.04.

**SECTION 30
AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE)
COMPLIANCE**

- A. The Authority has established an Airport Concession Disadvantaged Business Enterprise (ACDBE) program in accordance with the regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 23. The concessionaire is required to participate in the Authority's ACDBE program.
- B. This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, Title 49 CFR Part 23. The concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by Title 49 CFR Part 23.
- C. The concessionaire or contractor agrees to include the statement set forth in paragraph B in any subsequent concession agreement or contract covered by Title 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.
- D. Each year Concessionaire no later than February 1st shall provide Authority the requested ACDBE information.

- E. The Authority has available several remedies to enforce the ACDBE requirements contained in its contracts, including, but not limited to, the following:
 - 1. Breach of contract action, pursuant to the terms of this contract;
 - 2. Breach of contract action, pursuant to applicable State Statutes

- F. The federal government has available several enforcement mechanisms that it may apply to firms participating in the ACDBE problem, including, but not limited to, the following:
 - 1. Suspension or debarment proceedings pursuant to 49 CFR part 23;
 - 2. Enforcement action pursuant to 49 CFR part 31; and
 - 3. Prosecution pursuant to 18 USC 1001.

- G. The Authority will comply with all regulations set forth in 49 CFR Part 23 and will monitor concessionaires at the Airport for compliance with the ACDBE program.

- H. The Authority will submit to the Federal Aviation Administration's Regional Civil Rights Office, an annual ACDBE participation report showing the commitments and attainments. The Authority will take measures to ensure nondiscriminatory participation of ACDBEs in concession, and other covered activities.

**SECTION 31
COUNTERPARTS**

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

**SECTION 32
ENTIRE AGREEMENT**

This Agreement, including Exhibits A-D constitutes the entire agreement between the parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto. There are no representations, warranties, or stipulations either oral or written not herein contained.

Dated: _____

DULUTH AIRPORT AUTHORITY

KRENZEN CORPORATION

By _____
Its President

By _____

By _____
Its Secretary

Its _____

Exhibit A

Terminal Leased Premises

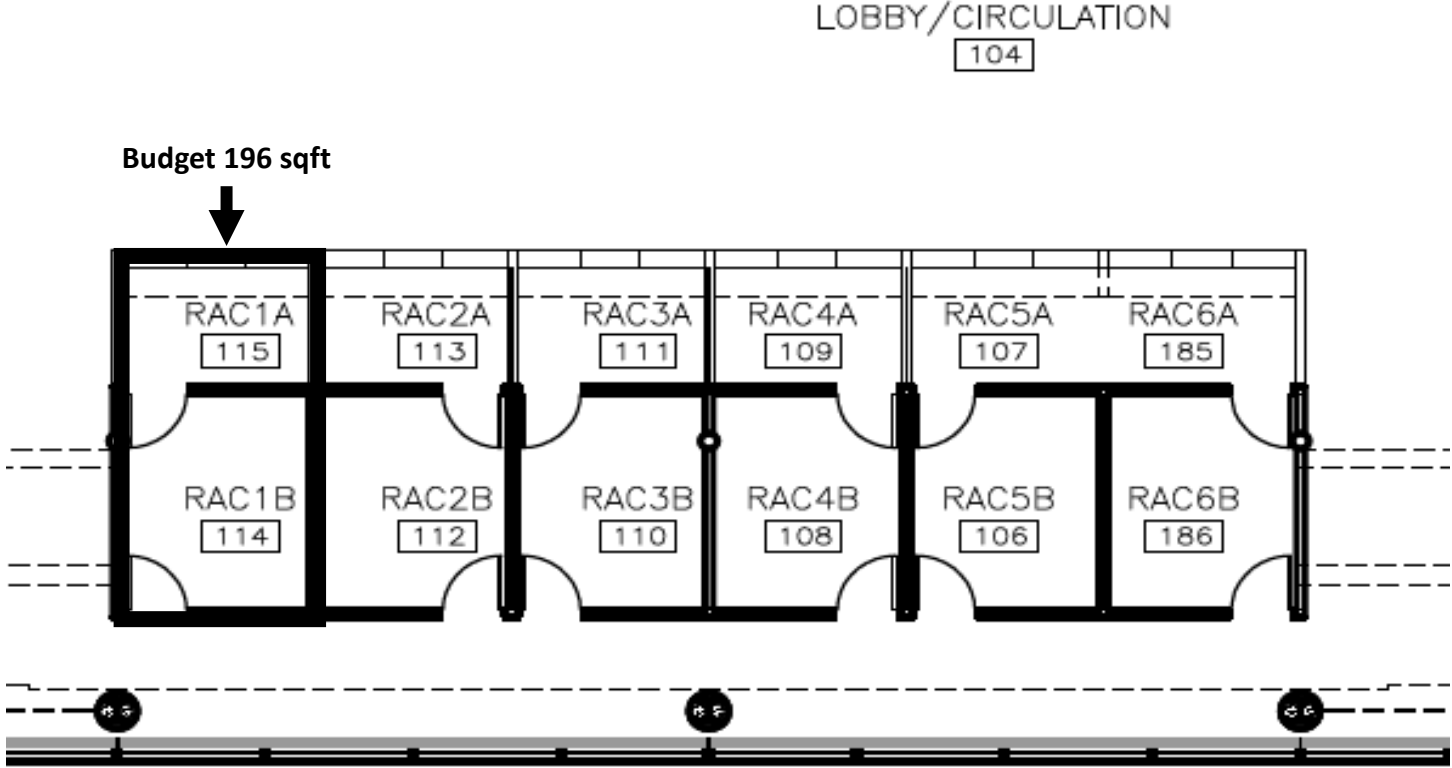


EXHIBIT B

Ready/Return Spaces-Surface and Overflow Lot

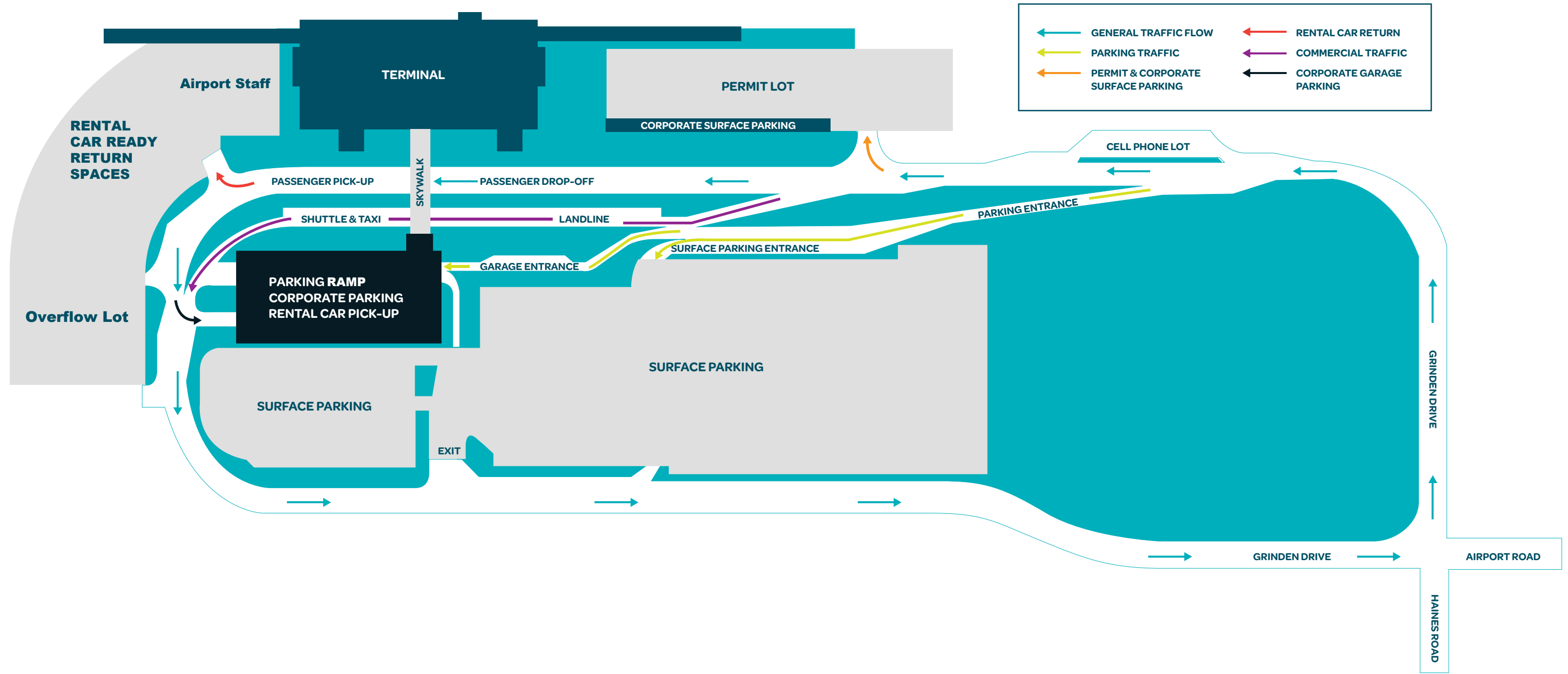
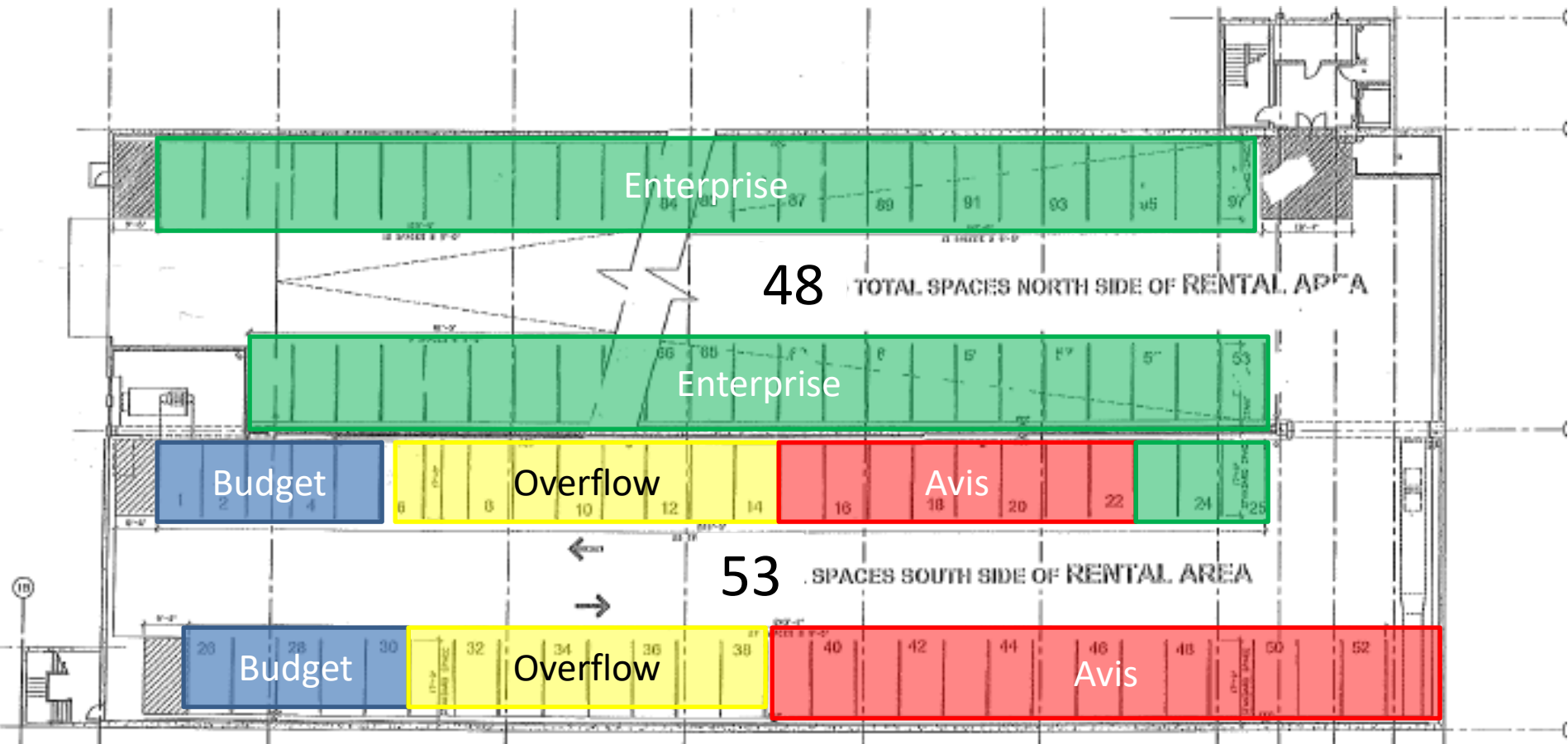


EXHIBIT C

Ramp Ready/Return Spaces



Enterprise – 51 parking spots
 Avis – 23 parking spots
 Budget – 10 parking spots
 Overflow-17

EXHIBIT D

Internet Access Agreement



This Internet Access Agreement (“Agreement”) is made by and between the Duluth Airport Authority (“DAA”) and Car Rental Company (“Customer”) as of January 1, 2024, and describes the Services, the term of the Agreement, the prices for the Services, service level commitments, and any other Customer or Services specific terms and conditions. For purposes of this Agreement, the “Effective Date” is defined as the date upon which “DAA” first delivers Service.

1. **Services Description.** Internet Access provided via Fiber Connectivity to Airport Terminal located at 4701 Grinden Drive, Duluth, MN 55811. Internet Access of 100Mbps with a single IP address. Additional IP addresses can be purchased at a rate of \$24.95 per additional IP address per month.

Charges for other services are not included. This includes, but is not limited to cross-connection to other customers or carriers, colocation charges, etc. Access to the global internet at Quality of Service (“QoS”) support are not included. Service is provided not for resale for the use of the Customer and no other parties.

Service will be provided in the DAA Airport Terminal building Demarc. Wiring between Customer provided equipment and the building Demarc is available outside the scope of this Agreement.

Customer is solely responsible for protection of Customer owned devices by providing a firewall with suitable threat management, filtering tools and manufacturer support. In no event shall DAA, underlying carrier, or DAA’s IT provider be responsible for security or protection of Customer owned equipment.

2. **Services Term.** The Services Term shall commence upon the Effective Date and shall continue until December 31, 2028. Once the Effective Date has passed, Customer must pay for the Services through the end of the Services Term regardless of whether Customer is actually using the Services throughout the duration of such Term.

Following the expiration of the Services Term and failure of the parties to enter into any agreement for extension thereof, this Agreement and Customer’s license to use the Services, shall continue in effect on a month-to month basis upon the same terms and conditions specified herein, unless terminated by either Customer or “DAA” upon thirty (30) days’ prior written notice to the other party. Notwithstanding the foregoing, Customer’s license to use Services shall, at all times, be contingent upon the election by “DAA” to continue to own or lease or operate the Airport Terminal, and such election to be at the sole discretion of “DAA”.

3. **Termination:**

- a) **Termination for Cause.** Either Party may terminate this Agreement for cause, provided written notice specifying the cause for termination and requesting correction within thirty (30) days is given to the other Party and such cause is not corrected within such thirty (30) day period. Cause is any material breach of any term of this Agreement, provided that in no event shall DAA be liable for the acts, omission or delays caused by third party vendors to DAA (specifically including incumbent carriers) as long as DAA has made commercially reasonable efforts to obtain necessary services on a timely basis. Cause shall include but not be limited to failure of Customer to pay charges when due, improper use of Services resulting in degradation or blockage of the network, fraudulent use of the Services provided, or refusal of the Customer to abide by the term of the Agreement. Unless otherwise stated in this Agreement, if DAA terminates for cause, Customer shall pay as liquidated damages and not as a penalty, the following:
 - a. if such termination is prior to installation of Services, damages shall be those actual and reasonable expenses incurred by DAA through the date of termination;

EXHIBIT D

Internet Access Agreement



- b. If after activation of Services, Customer shall pay in addition to any charges for Services used, damages equaling 80% of the last three months average billing multiplied by the number of months remaining under the term of the Agreement, actual expenses incurred by DAA to initiate or terminate the Services, any installation charges waived, and any discounts or credits granted.

If Customer terminates this Agreement for cause, Customer's sole remedy, in addition to any service credits that Customer may be entitled to, shall be to terminate this Agreement. All reasonable costs and expenses, including but not limited to attorneys fees, court costs and service charges, incurred by the Party terminating for cause in accordance with this section, will be an expense of and charged to the defaulting Party. Remedies under this Agreement are exclusive and limited to those expressly stated in this Agreement.

- b) Termination without Cause. Customer may also terminate the Agreement without cause, upon thirty (30) days written notice; however, the Customer shall pay in addition to any charges for Services used, damages equaling 80% of the last three months average billing multiplied by the number of months remaining under the term of the Agreement, actual expenses incurred by DAA to initiate or terminate the Services, any installation charges waived, and any discounts or credits granted.

4. Services Pricing. For the Services rendered pursuant to this Agreement, Customer shall pay "DAA" \$120 per month. Customer will be invoiced on or around the first of the month for which the service is for. Payment is due by the last day of the month for which it is for. Recurring charges for partial months shall be prorated.

Beginning January 1, 2024, the rate will be established annually in accordance with the rates and charges schedule adopted annually by the Authority. Customer will be advised of the proposed rate at least thirty (30) days prior to adoption by the Authority.

(a) **Payment Terms.** If payment for Services under this agreement is not received within thirty (30) calendar days of the due date DAA may suspend services provided under this agreement and a \$50 reconnection fee shall be charged upon restoration of services.

(b) **Installation Fees.** The Installation Fees are those one-time charges applicable to the initial installation of Services (including, without limitation, installation of fiber, installation of equipment, configuration of equipment and any third party service fees).

(c) **Build-Out Fees.** Build-Out Fees are those one-time charges applicable to individual Services that are outside the standard Service offering. Build-Out Fees are payable in full by Customer to "DAA", and no work will be performed by "DAA", its authorized representatives or Customer to build out the Services prior to the completion and execution of all necessary paperwork and receipt by "DAA" of all applicable Build-Out Fees. Build-Out Fees are not refundable in the event Customer changes or cancels the Services.

5. Content of User Communications. User communications, including any information stored on any devices provided by DAA or its underlying carrier (Paul Bunyan Telephone Cooperative, "PBC"), are the sole responsibility of Customer. Customer agrees to use Service in compliance with all applicable federal, state, and local laws, regulations, court orders and governmental agency orders. Any change in rates, charges or regulations mandated by the legally constituted authorities will act as a modification of any contract to that extent. Customer agrees to use the Service in compliance with any acceptable use policies, rules, or regulations that DAA or PBC may establish to protect the security, integrity, or reliability of its systems.

6. Service Level Commitments. Customer acknowledges that the Services are provided on an "AS IS" basis without warranties of any kind, either expressed or implied, including but not limited to

EXHIBIT D

Internet Access Agreement



warranties of title or implied warranties of merchantability or fitness for a particular purpose. Under no circumstances, including negligence by DAA or any other person or entity involved in providing the Services, shall DAA or its employees, agents, affiliates or subcontractors, be liable to Customer, to any customer of Customer or to any user of the Services, or to any other person for any direct, indirect, incidental, special or consequential damages, including but not limited to loss of profits, that may result from the inability to use, omission, deletion, interruption or any other failure of performances or malfunction of the Services from any cause whatsoever or from any breach of this Agreement. Customer's sole remedy shall be a service credit for the period of time, if any, that the Services were not in operation as required hereunder.

- (a) **Indemnity.** Customer agrees to indemnify and hold harmless DAA and its employees, agents, affiliates and subcontractors of and from any and all obligations, liabilities, claims, damages and costs, including without limitation reasonable attorneys' fees, arising out of or relating to the content of user communications.
- (b) **Force Majeure.** Notwithstanding anything herein to the contrary, any Service level commitments described in this section shall not apply in any situations where delays or outages are caused or exacerbated by conditions beyond the reasonable control of "DAA", including, without limitation, power surges or outages; severe weather and storms; natural disasters; strikes or other labor unrest; power failures; nuclear or other civil or military emergencies; acts of legislative, judicial, executive or administrative authorities; Customer or third-party acts or omissions; denied access; failure of Customer's Equipment, facilities or applications; or force majeure. In addition, all maintenance related outages or delays performed during the Maintenance Window (as defined herein) and any other scheduled maintenance performed outside the Maintenance Window will be excluded from any measurement period hereunder. Scheduled maintenance is defined as any maintenance activity performed outside the Maintenance Window of which Customer has received notice not less than twenty-four (24) hours in advance. Customer's account must be current and have no outstanding balance due in order for Customer to be eligible for any credits. Customer's total credit in any contract year shall not exceed 30 days fees for the covered service type and credits may not be carried over to subsequent years. Customer must request outage credits in writing within 30 calendar days of the outage. Under no circumstances will any tests (for example PING tests) performed by Customer or any other party be recognized by DAA as a valid measurable criterion for outage determination for the purposes of establishing a service credit hereunder.
- (c) **Internet Service.** Internet Access will be available not less than 99.99% of the time within any given calendar month. The scope of this SLC does not include, under any circumstances, any server on the Internet, Customer premise equipment ("CPE") or access service not provided by DAA. DAA will use commercially reasonable and good faith efforts to ensure that eligible outages isolated to DAA's Core Network affecting a Customer's specific resource will be resolved as soon as reasonably possible. Failure to meet this objective may make Customer eligible for a service credit to be applied to Customer's next monthly invoice for Services.

Outage credits will be Customer's sole remedy with respect to such an event. No outage credit will be issued and DAA will not be liable for any service outage caused by any planned maintenance or force majeure event described in section b above. No outage credit will be issued and DAA shall not be liable for any service interruption caused by Customer's equipment or failure of Customer to comply with any requirement of this Agreement. Outage credits are only issued for outages of the fiber provided to the DAA terminal, no outage credits are available for a failure of Internet access provided by PBC. Customer must request outage credit in writing within 30 days of an outage. Outage credits shall not exceed 100% of the monthly Services Pricing in any given month.

EXHIBIT D

Internet Access Agreement



Access Type	Length of Outage	Amount of Credit
Internet Access	>1 hour and <= 4 hours	10%
Internet Access	>4 hours and <= 8 hours	25%
Internet Access	>8 hours and <= 24 hours	50%
Internet Access	>24 hours	100%

7. **Technical Support.** Free technical support is provided by the DAA’s underlying carrier, Paul Bunyan Telephone Cooperative, “PBC”. DAA’s IT provider will provide maintenance and support of DAA owned equipment. Maintenance and support of Customer owned equipment is the sole responsibility of Customer.

8. **Other Services/Customer Specific Terms and Conditions.**

(a) **Default.** In addition to the remedies available to “DAA” under this Agreement and all other remedies available at law or in equity, if Customer fails to perform, or otherwise breaches, its obligations hereunder (including, without limitation, failing to pay for the Services) and Customer fails to remedy such breach within five (5) days after receipt of written notice thereof, “DAA” shall have the right, immediately and without further notice, to discontinue performance hereunder and terminate this Agreement. Any failure of “DAA” to exercise its rights shall not constitute, or be construed by Customer as being, a waiver of any past, present or future right or remedy.

If Customer commits an act of default with respect to the purchase of telecommunications services from “DAA”, which would entitle “DAA” to terminate its services to Customer, then “DAA” shall be entitled to terminate this Agreement,.

(b) **No Conflicts.** In the event of a conflict between the terms and conditions contained in this Agreement or any schedules thereto and those contained in any other Agreement, the terms and conditions of this Agreement shall control. Notwithstanding the foregoing, all existing terms and conditions and any schedules thereto, not expressly amended by the provisions of this Agreement shall remain in full force and effect and apply to the parties hereto.

(c) **No Assignment.** This contract may not be assigned to any third party without the written consent of DAA.

(d) **Services Delivery.** Title to, and ownership of, all equipment and facilities DAA uses in supplying Services is and remains with DAA. DAA will supply Services described in this Agreement in any manner and by means of any equipment, software, and facilities DAA chooses. The method of providing of Services is a matter within DAA’s sole discretion.

(e) **Miscellaneous.** This Agreement shall be governed by the laws of the state of Minnesota. In the event that a court, government agency, or regulatory agency with proper jurisdiction determines that this Agreement or a provision of this Agreement is unlawful, this Agreement, or that provision of the Agreement to the extent it is unlawful, shall terminate. If a provision of this Agreement is terminated but the parties can legally, commercially and practicably continue without the terminated provision, the remainder of the Agreement shall continue in effect.

IN WITNESS WHEREOF, the Parties have signed this Addendum in duplicate on the Effective Date _____

EXHIBIT D
Internet Access Agreement



Duluth Airport Authority

Customer

By _____

By _____

Name _____

Name _____

Title _____

Title _____

TEMPLATE

VII. - F.

DULUTH AIRPORT AUTHORITY AND ENTERPRISE LEASING COMPANY OF MN, LLC

VEHICLE RENTAL LEASE AND CONCESSION AGREEMENT NON-EXCLUSIVE RENTAL CAR CONCESSION

The parties to this Agreement are the DULUTH AIRPORT AUTHORITY, a governmental body organized and existing under Chapter 577 of the Laws of Minnesota, 1969, hereinafter known as "Authority", and Enterprise Leasing Company of Minnesota, LLC doing business as Enterprise Rent-A-Car, National Car Rental, and Alamo Rent A Car, a Delaware Limited Liability Company organized and incorporated in the State of Delaware, hereinafter referred to as "Concessionaire".

The parties acknowledge the following:

1. The Authority is a public body created pursuant to Minnesota Laws 1969, Chapter 577 and responsible for the operation of the Duluth International Airport and Sky Harbor Airport located in and adjacent to the City of Duluth, Minnesota, hereinafter referred to as "Airport."
2. The Concessionaire is authorized to conduct business in the State of Minnesota and engaged in the business of providing vehicle rental, storage, maintenance, and related services.
3. The Concessionaire desires to offer vehicle rental and related services to be available to the public at the Airport and the Authority agrees to allow the Concessionaire to conduct such business in facilities at the Airport provided by the Authority.

NOW, THEREFORE, in consideration of their mutual covenants and representations, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree for themselves and their successors and assigns as follows:

SECTION I DEFINITIONS

The following terms, as used in this Agreement, shall have the meanings as ascribed to them hereunder.

- A. Airport: shall mean the Duluth International Airport located in and adjacent to the City of Duluth, County of St. Louis, and the State of Minnesota.
- B. City: shall mean the City of Duluth, Minnesota.
- C. Consent or Approval of Authority and of the Executive Director: where this Agreement calls for the consent or approval of the Authority, the same shall be in the form of a resolution approved by the Authority as provided by law; where the consent or approval of the Executive Director is required, the same shall be evidenced by a written document signed by the Executive Director or authorized designee and shall not unreasonably be withheld or delayed.
- D. Customer Facility Charge (CFC): shall mean a user fee established and subject to amendment from time to time pursuant to resolution by the Authority that will be assessed by Concessionaire for each rental transaction, remitted by Concessionaire to the Authority,

and used to pay for eligible rental car related capital improvements and operating expenses as determined by the Authority. Concessionaires will be consulted prior to the establishment or adjustment of the fee.

- E. Executive Director: shall mean the Executive Director of the Authority or designee.
- F. Gross Revenues: shall refer to all amounts charged to its customers by Concessionaire for or in connection with agreements it secures through its operations and business at the Airport, regardless of whether such amount is actually paid to or received by Concessionaire. Gross Revenues shall include all monies or other consideration of whatsoever nature paid or payable to Concessionaire by customers for all sales made and services performed for cash, credit, or consideration in connection with automobile and vehicle rentals or other products or services provided to persons through Concessionaire's operations at the Airport, without regard to the ownership, area, fleet, or location assignment of vehicles and with regard to the manner in which or place at which the vehicles or other products or services are furnished to Concessionaire's customers and without regard to whether the vehicles or other products are returned to the Airport or to some other location.

Gross Revenues shall include anything and everything that is not specifically excluded. The only exclusions from Gross Revenues permitted under this Agreement shall be the specific exclusions set forth below:

- Federal, state, county, city or international sales, use, or excise taxes now in effect or hereinafter levied on Concessionaire's operations which are separately stated on customers' rental contracts and collected from customers of Concessionaire;
- Those fees referred to in this Agreement as Customer Facility Charges, "CFC's."
- Amounts received specifically for loss, conversion and abandonment of or damages of vehicles or other property of Concessionaire, other than any administrative fees;
- Sums charged to customers by Concessionaire for waiver by Concessionaire of its rights to recover loss or damages from its customers for damage to or destruction of the rental vehicles;
- Amounts received from the sale of vehicles off-Airport premises; provided, however, any amounts paid in connection with automobile and vehicle rentals, or other products or services provided to persons through Concessionaire's operations that are applied to or otherwise reimbursed as a result of the sale of a vehicle shall be not excluded from Gross Revenues; and,
- Reimbursements for amounts actually paid for traffic tickets, tolls and toll violations, and towing and impound fees from its customers to pass through without markup to an independent third party with no amount being retained by Concessionaire. However, any amounts collected above the pass-through amount shall be included as Gross Revenue under this Agreement.

- Discounts to customers taken at the time of the rental only and clearly noted on the rental contract or agreement.
 - Direct costs associated with vehicle registration fees.
- G. Internet Access Agreement: shall mean internet service provided by the Authority for an additional fee through a separate agreement as shown on Exhibit D.
- H. Leasehold Improvements: shall mean all improvements and equipment which are affixed to the Leased Premises and which cannot be removed without material damage to the Premises.
- I. Leased Premises: Leased Premises shall mean the office area and rental counter space shown on Exhibit A. Leased Premises shall also include those spaces in the Ready/Return Lot and Overflow Lot as identified in Exhibits B and C as may be amended from time to time by the Executive Director as set forth herein.
- J. Minimum Annual Guarantee: shall mean the annual minimum concession payment requirement to be paid to the Authority by Concessionaire for the right to operate a concession at the Airport.
- K. Overflow Lot: shall mean the parking area designated and subject to adjustment from time to time by the Executive Director for the parking of surplus rental vehicles, also known as overflow parking. All vehicles located in the Overflow Lot shall be used for rentals that are initiated at the Airport for which concession fees are paid solely to the Authority and for intercity inbound rentals which will be rented as an outbound vehicle from the Airport. The Overflow Lot is depicted on Exhibit B as may be amended from time to time by the Executive Director as set forth herein.
- L. Parking Ramp: shall mean the parking structure located at the Airport.
- M. QTA: shall mean a Quick Turn Around Facility which shall consist of a potential future vehicle maintenance, cleaning, and fueling facility.
- N. Ready/Return Lot: shall mean the parking area designated and subject to adjustment from time to time by the Executive Director for parking of vehicles immediately available for customer rental and for customer returns. The Ready/Return Lot is depicted on Exhibits B and C as maybe amended from time to time by the Executive Director as set forth herein.
- O. Terminal: shall mean the commercial terminal building at the Airport as shown on Exhibit A.

SECTION 2 EXHIBITS

The following Exhibits are attached to this Agreement and are incorporated herein:

Exhibit A Terminal Leased Premises
 Exhibit B Ready/Return Spaces-Surface and Overflow Lot
 Exhibit C Ready/Return Spaces- Ramp
 Exhibit D DAA Customer Internet Access Agreement

SECTION 3 CONCESSION

The Authority does hereby grant to the Concessionaire and the Concessionaire hereby accepts from the Authority the nonexclusive right to operate a vehicle rental concession at the Airport for the purpose of offering vehicle rental services to the public under the covenants, conditions, and provisions and in the places set forth in this Agreement.

SECTION 4 TERM

- A. Base Term. The Base Term of this Agreement shall commence on January 1, 2024 and shall remain in effect until midnight December 31, 2028, unless terminated earlier as provided for herein.
- B. Option Term. The parties reserve the right to exercise two (2) additional two (2) year Option Terms beyond the Base Term provided that the parties mutually agree to exercise the Option Term ninety (90) days prior to the end of the Base Term or Option Term. The Option Term shall be under the same terms and conditions as set forth herein.
- C. Holding Over. It is further agreed that in the event that the Base Term expires or is subject to early cancellation as per the terms of this Agreement, the Option Term is not exercised, or a new agreement has not been executed, this Agreement shall continue in effect on a month-to-month basis under the terms and conditions set forth in this Agreement subject to the adjustment of rates and charges and reallocation of parking spaces at the sole discretion of the Executive Director. The Concessionaire will be allowed to hold over at the sole discretion and upon the written consent of the Executive Director, which consent may be withdrawn upon thirty (30) days' written notice to Concessionaire.

SECTION 5 NONEXCLUSIVITY

This concession shall not be construed to be an exclusive concession, and the Authority shall have the right to negotiate and execute substantially similar arrangements with any other individual, firm or corporation for engaging in similar activities at the Airport. The Authority shall not, however, during the term of this Agreement, grant to any other individual, firm or corporation, a similar concession upon terms or conditions materially more favorable than those herein granted Concessionaire.

SECTION 6 LEASED PREMISES

The following Leased Premises are hereby leased to Concessionaire for its use in conducting its business at the Airport:

- A. Exclusive Use Office Area and Rental Counter in the Terminal. Approximately three hundred ninety-two (392) square feet on the first floor of the Terminal at a location designated as offices 106, 107, 185, and 186 and identified on Exhibit A. The space shall be used solely for the handling of vehicle rental business, the making of contracts for such rental, and related matters. If Concessionaire offers dual brands from the Exclusive Use Office Area and Rental Counter in the Terminal, Concessionaire shall be charged one

hundred fifty percent (150%) of the base rental rate for the individual suite. Concessionaire will not be allowed to offer more than three (3) brands from any one suite. If more than one suite is occupied for multiple brands without separation, all space leased shall have the 150% premium applied to the base rental rate.

- B. Spaces in the Ready/Return Lot. The use of 93 spaces in the Ready/Return Lot as identified in Exhibits B and C. Concessionaire will be allocated and required to lease a minimum of twenty (93) spaces in the Ready/Return Lot. The Executive Director will exercise best efforts to assign spaces with reasonable access and visibility so as not to put any vehicle rental concessionaire at a competitive disadvantage. It is expressly agreed by Concessionaire that said spaces shall be used for parking of vehicles immediately available for rental and for customer returns and for no other purpose. Furthermore, Concessionaire acknowledges that there will be other vehicle rental concessionaires operating at the Airport under the same or similar agreement, that said concessionaires will also have parking privileges in the Ready/Return Lot. The Executive Director will use his best efforts to make available the requested number of spaces to satisfy the needs of all vehicle rental concessionaires in such allocation. After consultation with rental vehicle concessionaires, allocation of spaces in the Ready/Return Lot may be increased or decreased by the Executive Director annually upon thirty (30) days' written notice. In the event the number of spaces is adjusted, payments and fees will be adjusted to become effective upon the date of any such modification. Exhibits B and C will be amended and made a part of this Agreement to reflect any such adjustments.
- C. Spaces in the Overflow Lot. There are 65 spaces in the Overflow Lot as identified in Exhibit B. It is expressly agreed by Concessionaire that said spaces shall be used for parking of surplus vehicles, also known as overflow parking, specifically for rentals initiated at the Airport for which Concessionaire will pay a concession fee solely to the Authority, and for inbound intercity rentals which shall be rented as outbound rentals from the Airport. Furthermore, Concessionaire acknowledges that there will be other vehicle rental concessionaires operating at the Airport, that said concessionaires will also have similar parking privileges in the Overflow Lot. The Executive Director will use his/her best efforts to make available the requested number of spaces to satisfy the needs of all vehicle rental concessionaires in such allocations. Concessionaire shall be required to pay for those spaces which it is allocated. Allocation and location of spaces in the Overflow Lot will be established by the Executive Director prior to the execution of this Agreement. Said allocation and location will be reviewed and subject to adjustment bi-annually upon thirty (30) days' written notice to Concessionaire commencing November 1, 2024 and each May 1 and November 1 thereafter. The Executive Director will consult with the Concessionaire prior to making any adjustments and will take into consideration the needs of the Concessionaire in relation to the needs of other vehicle rental concessionaires in making the final allocation decision. In the event the number of spaces is adjusted, payments and fees will be adjusted to become effective upon the date of any such modification. Exhibit B will be amended and made part of this Agreement to reflect any such adjustments.

SECTION 7 CUSTOMER FACILITY CHARGE

Commencing for all rentals booked on January 1, 2024 and thereafter, the Concessionaire acknowledges the collection of a Customer Facility Charge (CFC) which shall be collected on all vehicle rental transactions at the Airport. The CFC rates will be established by resolution of the Authority following consultation with Concessionaire and other vehicle rental concessionaires

operating at the Airport. The CFC will be collected by the Concessionaire on all rentals, reported monthly on forms provided by the Authority, and paid to the Authority on or before the fifteenth (15th) day following the end of the month to which the CFC applies. All CFC's collected by the Concessionaire shall be held in trust and paid promptly to the Authority. Payments received will be deposited by the Authority and dedicated for CFC eligible costs which may include design and construction of new parking areas, design and construction of a QTA, restoration of the surface locations leased by vehicle rental concessionaires, Ready/Return Lot, Overflow Lot, Parking Ramp, signage, concessionaire office area and rental counter improvements, and other CFC eligible costs associated with the operation and maintenance of vehicle rental facilities.

SECTION 8 PAYMENTS AND FEES

Concessionaire hereby agrees to pay Authority for the rights and privileges granted hereunder as follows:

- A. Office Area and Rental Counter Base Rental Rate. For the use of the office area and rental counter space on the first floor of the Terminal:

January 1, 2024 - December 31, 2028: \$43.58 per square foot per year.

Beginning January 1, 2024, the rental rate will be established annually in accordance with the rates and charges schedule adopted annually by the Authority. Concessionaire will be advised of the proposed rate at least thirty (30) days prior to adoption by the Authority.

- B. Ready/Return/Overflow Lot. For each parking space allocated to Concessionaire in Ready/Return/Overflow Lot:

January 1, 2024 – December 31, 2028: \$18.63 per space per year.

Beginning January 1, 2024, the rental rate will be established annually in accordance with the rates and charges schedule adopted annually by the Authority. Concessionaire will be advised of the proposed rate at least thirty (30) days prior to adoption by the Authority.

- C. Concession Fee. In addition to the rental payments above, Concessionaire shall pay as a concession fee to the Authority a Minimum Annual Guarantee (MAG) or ten percent (10%) of Concessionaire's Gross Revenues arising out of the operations hereunder, whichever is greater. The 2024 MAG will be the amount equal to multiplying the Gross Revenues from the immediate preceding year by eighty percent (80%) and that amount by ten percent (10%). The MAG will be adjusted annually commencing January 1, 2025 and each January 1 thereafter for the Term of this Agreement to an amount equal to multiplying the Gross Revenues from the immediate preceding year by eighty percent (80%) and that amount by ten percent (10%), but in no event shall the MAG for any year be less than one hundred fifty four thousand six hundred and twenty eight dollars (\$154,628.00) during the term of this Agreement.

Ten Percent (10%) of Concessionaire's Gross Revenues shall be due and payable to Authority on a monthly basis. Concessionaire shall furnish a statement of Gross Revenues on or before the fifteenth (15th) day of each month following the month to which such Gross Revenues or MAG relate. Payment shall be due and payable within ten (10) days thereafter.

Commencing on December 31, 2024 and each December 31 thereafter during the Term of the Agreement there shall be a reconciliation of the payments made to the Authority. If the reconciliation discloses the Concessionaire owes additional amounts to the Authority, Concessionaire will pay those amounts within 15 days upon receipt of invoice. If the reconciliation discloses that Concessionaire has overpaid the Authority, the amount shall be refunded by the Authority to Concessionaire within thirty (30) calendar days after completion of the reconciliation.

In the event of a major traffic reduction at the Airport during the term of this agreement, due to a federally declared public health emergency, the MAG hereinabove provided for in the Section C above shall be abated for the period of time the condition exists. A major traffic reduction at the Airport shall be defined as a thirty percent (30%) reduction in the number of passengers deplaning on scheduled airline flights at the Airport during any period of three (3) consecutive calendar months as compared to the number of such deplaning passengers in the same calendar months during the preceding calendar year excluding seasonal and charter scheduled airline service. During the period of the abated MAG, only the ten percent (10%) Concession Fee of Gross Revenues will be due and payable to the Authority. Any abated MAG will be removed from the overall requirement in the year end reconciliation.

Concessionaire and Authority agree that if there is a new rental vehicle company (New Entrant) at the Airport, the Minimum Annual Guarantee shall be renegotiated and the contract shall be amended to reflect any adjustment that is agreed upon.

- D. Pass Through Concession Fee. Concessionaire acknowledges that the payments by Concessionaire to the Authority under this Agreement are for Concessionaire's use of the facilities and access to the Airport market, and that none of those payments reflects a fee that is imposed by the Authority upon customers renting vehicles from Concessionaire. The Authority does not require but will not prohibit the separate statement of the Concession Fee on customer invoices or rental contracts ("invoices"), provided that Concessionaire meets all the following conditions:
1. Such fee is titled "Concession Recovery Fee";
 2. Such fee shall be immediately below all concessionable items and not immediately adjacent to taxes on customer invoices;
 3. If Concessionaire elects to designate a Concession Recover Fee on customer invoices, Concessionaire complies with all applicable laws including Federal Trade Commission requirements;
 4. The Concession Recovery Fee percentage stated on the invoice and charged to the customer shall not exceed 11.11%.
- E. Additional Fees. Additional fees may include charges for special items or activities including, but not limited to, employee parking and badging fees. The Authority may assess reasonable, non-discriminatory charges for these special items or activities. All new charges will be reviewed with Concessionaire prior to implementation. Other charges payable by Concessionaire, shall be paid by Concessionaire to Authority by due date on invoice.
- F. Fee for Failure to Maintain. In the event that Concessionaire fails to keep the Leased Premises in a neat, clean, orderly and sanitary condition as is required by this Agreement and the Executive Director has issued a written notice of such deficiency and provided a

reasonable cure period as determined solely by the Executive Director, Authority may itself clean or cause to be cleaned those portions of the Leased Premises not so kept, and Concessionaire agrees to reimburse Authority for the direct and indirect costs incurred by Authority for the performance of said work plus a fifteen percent (15%) administrative fee, due and payable upon the date of the invoice.

- G. Fee for Repair and Replacement. Concessionaire shall promptly repair or replace any property of the Authority lost, destroyed or damaged by its operations hereunder. If Concessionaire fails to promptly repair or replace such property following written notice by the Executive Director of such deficiency and a reasonable cure period as determined solely by the Executive Director, Authority may repair or replace it and Concessionaire agrees to reimburse for the direct and indirect costs incurred by Authority for such repair or replacement plus a fifteen (15%) percent administrative fee, due and payable upon the date of the invoice.
- H. Fee for Unpaid Licenses, Fees, Taxes, and Assessments. Concessionaire hereby agrees to pay all licenses, fees, taxes and assessments of any kind whatsoever which arise because of, or in the course of any operations covered by this Agreement during the term hereof. Should Concessionaire fail to pay such amounts following written notice of such deficiency and a reasonable cure period as determined solely by the Executive Director, it is expressly agreed that Authority may pay the same on behalf of Concessionaire, and Concessionaire agrees to reimburse Authority for said amounts paid plus a fifteen percent (15%) administrative fee due and payable upon the date of the invoice.

SECTION 9 UTILITIES & INTERNET ACCESS AGREEMENT

The Authority agrees to provide such heat, electricity, internet infrastructure, telephone infrastructure, water and sewage as are reasonable necessary for Concessionaire's operations at no additional cost to Concessionaire. Concessionaire shall be responsible for providing and installing all telephone systems and computer systems at its sole expense.

Concessionaire shall be required to sign a separate Internet Access Agreement with Authority for internet services during the Term of this Agreement. Interest Access Agreement attached hereto as Exhibit D. Internet Access Agreement must be completed by June 1, 2024.

SECTION 10 PERFORMANCE BOND/ SECURITY DEPOSIT

- A. To guarantee its performance of all of the conditions and obligations under this Agreement, Concessionaire agrees to secure a performance bond or provide a security deposit issued to the Authority in the amount equal to twenty five percent (25%) of 2023 MAG. If a bond, it must be secured from a surety which is acceptable to the Executive Director and guaranteeing performance by the Concessionaire of all of the terms and conditions of this Agreement and further guaranteeing all payments to be made hereunder. Said bond shall further include a requirement that the surety notify the Authority in writing at least thirty (30) days prior to the cancellation or termination of said performance bond. It is agreed that the amount of such bond may not be diminished below the required amount as set forth herein during the term of this Agreement. As an alternative and in lieu of a performance bond, Concessionaire may deposit with the Authority the required amount.

- B. The Executive Director may waive the Performance Bond/Security Deposit requirement provided Concessionaire has remained in compliance with the terms and conditions of this Agreement and has remained current on all payments due under this Agreement for a period of one (1) year. If Concessionaire has met this requirement over the past twelve months prior to the commencement of this Agreement, it will qualify for such waiver. If Concessionaire has the requirement waived and subsequently is determined to be in default as called for in this Agreement or has delinquent payments due the Authority, Authority reserves the right to reinstitute the Performance Bond/Security Deposit requirement subject to the terms of this SECTION.

**SECTION 11
ACTIVITIES PERMITTED ON AIRPORT**

- A. On-Airport Vehicle Rental Concession. Concessionaire shall have the right to use the Leased Premises at the Airport identified in this Agreement for the conduct of an on-airport vehicle rental concession as herein provided.
- B. Public Areas and Roadways. Concessionaire shall have access to and the right to use public areas and roadways at the Airport in like manner as the general public, but Concessionaire shall in no way infringe upon the rights of the public to so use such public areas and roadways.

**SECTION 12
CONSTRUCTION AND LEASEHOLD IMPROVEMENTS**

- A. Approval of Executive Director. In the event that Concessionaire wishes to make any Leasehold Improvements, Concessionaire shall submit a written request to the Executive Director together with design development or construction drawings showing all details of said Leasehold Improvement. No Leasehold Improvement shall be made in the Leased Premises without the prior written approval of the Executive Director, which decision shall not be unreasonably delayed, and then only in conformance with the approved plans and this SECTION.
- B. Regulations and Standards. All work performed on behalf of Concessionaire shall conform to all applicable regulations, building design standards, building codes and health standards, as well as the following requirements:
1. All construction shall meet the requirement of Type I (fire resistant) construction as set forth in the Minnesota State Building Code (current edition) and the building standards for the Airport.
 2. Complete contract drawings and specifications on all work, including alterations, additions or replacements, must be submitted for and receive approval of the Executive Director. Concessionaire will be responsible for delivering to the Authority at no cost "as built" drawings and an electronic version, of same, or any reasonable substitute as agreed to in writing by the Executive Director, within sixty (60) days of completion of any Leasehold Improvement.
 3. All work must be done by qualified and licensed contractors authorized to do business at the Airport in the time and manner approved by and coordinated with the Executive Director. Concessionaire shall comply with the indemnity and insurance and bond requirements of this Agreement. Work must be performed

such that it may not have a material impact on the operations of the Airport or negatively impact any tenants operating at the Airport as determined in the sole discretion of the Executive Director.

4. An authorized representative of Concessionaire shall be available at all reasonable times at the site to coordinate the work of the Leasehold Improvements.

C. Construction Bonds and Insurance.

1. Bonds: During the term of this Agreement, when any Leasehold Improvements are constructed, installed or renovated, Concessionaire shall procure and furnish to the Executive Director a bond or bonds written by a company or companies authorized to write such bonds in the State of Minnesota and who are acceptable to the Executive Director, in an amount not less than the cost of such construction, installation or renovation, for the use of obligee, Concessionaire and the Authority and all persons doing work or furnishing skills, tools, machinery, materials, insurance premiums, equipment or supplies incident to such construction, installation or renovation, such bond or bonds to be conditioned for payment of claims as required and in full compliance with Minnesota Statutes Section 574.26. Further, during the term of this Agreement, for any construction, installation or renovation of Leasehold Improvements, and before the commencement of work thereon, Concessionaire shall furnish to Authority performance bonds, written by similarly qualified companies, covering all work to be performed thereunder guaranteeing the performance of all such work.
2. Contractor's Public Liability and Property Insurance. Before commencing any Leasehold Improvement on the Leased Premises, Concessionaire shall itself or shall require all contractors and subcontractors to procure and maintain insurance during the life of such contracts, protecting both the Authority, the City of Duluth and the Concessionaire as follows:
 - i. Workers' Compensation Insurance.
 - ii. Contractors Comprehensive Public Liability and Property Damage Insurance.
 - iii. Contractors Automobile Liability and Property Damage Insurance, including automobile and non-ownership and hired cars.
 - iv. Owners Protective Public Liability and Protective Property Damage Insurance.
 - v. Builders Risk Insurance (fire, extended coverage, vandalism and malicious mischief, including sprinkler leakage).

Amounts shall not be less than One Million Five Hundred Thousand Dollars (\$1,500,000) for injuries, including accidental death to any one person, and subject to same limit for each person, and in an amount not less than One Million Five Hundred Thousand Dollars (\$1,500,000) for any one accident with a One Million Five Hundred Thousand Dollar (\$1,500,000) aggregate for the policy. Insurance, as above provided, shall be kept intact and in force throughout the term of construction work and equipment installation on the Leased Premises. Such insurance shall be subject to the approval of the Executive Director and copies furnished to the Executive Director prior to the commencement of construction.

- D. Subsequent Leasehold Improvements: Any changes in, additions to or deletions from existing or later constructed Leasehold Improvements shall be subject to the prior approval

of the Executive Director and Executive Director may impose such conditions as it shall deem necessary to protect the Authority and the integrity of all operations at the Airport, including, but not limited to, bonding and insurance requirements.

SECTION I3 CONCESSIONAIRE'S RIGHTS

During the term of this Agreement, Concessionaire shall have the following rights subject to other terms and conditions hereof:

- A. To install, operate and maintain upon the Leased Premises at Concessionaire's sole expense, signs advertising Concessionaire's business consistent with Authority's building signage standards, subject to the prior written approval of the design by the Executive Director, which decision shall not be unreasonably delayed.
- B. To remove upon termination of this Agreement and within ten (10) days thereafter such items as may have been installed in and upon Leased Premises by Concessionaire pursuant to this Agreement. Upon removal, Concessionaire will repair the Leased Premises where the installed items have been removed to original condition, normal wear and tear excepted.
- C. To the joint use with others of roads and driveways useful in the conduct, operation and maintenance of Concessionaire's vehicle rental operation. Concessionaire and its employees, agents, contractors, and assigns shall have no right under this Agreement to park vehicles at the Airport at any location other than that designated by the Executive Director.

SECTION I4 CONCESSIONAIRE'S COVENANTS

Concessionaire hereby covenants and agrees:

- A. To furnish good, prompt and efficient service adequate to meet all reasonable demands for vehicle rental business at the Airport on a fair and reasonable basis, and to charge for such service at a fair and reasonable price. Said service shall be similar to those services rendered by Concessionaire or affiliates of Concessionaire as well as other vehicle rental concessionaires in similarly sized airports in the surrounding five state area, provided, however, that service provided by Concessionaire at the Airport shall conform to all standards herein specified.
- B. To use its best efforts in every proper manner to develop and increase the business of the rental of vehicles at the Airport for those customers utilizing the resources of the Airport.
- C. That it will not divert or cause or allow to be diverted any vehicle rentals from its place of business at the Airport for customers utilizing the resources of the Airport to any other local location under the same brand as Concessionaire.
- D. That rental vehicles made available hereunder shall be maintained at Concessionaire's sole expense in good operating order, free from known mechanical defects, safe, and in clean, neat and attractive condition inside and out, and in no case shall vehicles be older than the most current model year at any time available or than the four (4) model years immediately preceding said current model year.

- E. That the facilities to be provided by Concessionaire hereunder for the purpose of providing vehicle rental business at the Airport shall remain open and be staffed by such personnel as are necessary for the conducting of Concessionaire's business during all times for scheduled airline arrivals and departures. Specific hours shall be determined periodically by the Executive Director upon consultation with Concessionaire; but in all cases Concessionaire shall remain open to meet anticipated customer needs. Concessionaire may install as a facility hereunder on the Leased Premises to be used by it, or at such other place as the parties may agree upon, a direct line telephone to the nearest office of the Concessionaire for the purpose of supplying vehicle rental service to customers during those periods when its facilities are not required to be open.
- F. That personnel performing services hereunder shall be neat, clean and courteous, and dressed in the approved corporate attire, and Concessionaire shall not permit its agents, servants, contractors, or employees to solicit or conduct business outside of the Leased Premises or conduct business in a loud, noisy, boisterous, offensive or objectionable manner.
- G. That Concessionaire shall abide by, and require its agents, contractors, and employees to abide by, and be subject to all rules and regulations which are now, or may from time to time, be promulgated by the Authority or the Executive Director concerning the management, operation, or use of the Airport, and specifically to abide by all provisions of the Airport Security Plan on file in the office of the Executive Director. Concessionaire must comply with all security requirements of the Authority, Department of Homeland Security, and any other governing agency. Concessionaire further agrees to provide at its sole cost for all of its agents, contractors and employees serving at the Airport and for them to have in their possession, Airport Identification badges as required by the Executive Director.
- H. That Concessionaire will maintain, in accordance with generally accepted accounting practices for six (6) years after each year during which the contract is in effect, all records, documents and books of account recording all transactions of the business conducted by Concessionaire at the Airport within the City of Duluth, and within a thirty (30) mile radius of said City of Duluth, which records, documents, and books of account shall be held accessible to the Authority and its representatives at any time upon reasonable demand by the Executive Director. Concessionaire further agrees to use only numbered vehicle rental agreements for all business conducted at the Airport. The license number of the vehicle rented pursuant to any such agreement shall appear on the face of that agreement. Concessionaire agrees to submit complete sets of all numbered rental agreements within ten (10) working days upon written demand.
- I. To permit in ordinary business hours and for the period identified in Section 14 (H) above, the examination and audit by the Authority and/or the Legislative or State Auditor or their representatives, of any records, documents or books of account of Concessionaire pertaining to vehicle rentals of the Concessionaire's vehicle rental business regardless of where such business may be done. Concessionaire must provide the records requested within five (5) days upon receipt of notice. If as a result of such inspection and upon audit, deficiency in payments made to the Authority hereunder of more than five percent (5%) is disclosed, the cost of audit shall be borne by the Concessionaire due and payable upon demand. Otherwise, the cost of inspection and audit shall be borne by the Authority.

- J. To permit the inspection by officers, employees and representatives of the Authority of any equipment or device used by Concessionaire for the purpose of computing the rates and charges of rentals or service.
- K. That it will meet all expenses in connection with the use of the Leased Premises hereunder, and the rights and privileges herein granted, including, without limitation by reason of enumeration, taxes, permit fees, license fees and assessments lawfully levied or assessed upon the Leased Premises or structures and Leasehold Improvements at any time situated thereon, and that it will secure all such permits and licenses as may be necessary.
- L. That it will furnish, install, operate and maintain the Leasehold Improvements provided hereunder, and keep the same, as well as the Leased Premises and the furniture, fixtures and equipment installed therein and thereon, all in good order, condition and repair.
- M. That it will permit the Authority at any time, and as often as the Authority deems necessary, to inspect the vehicles, machines and other equipment used by Concessionaire in the conduct of its business, and upon request shall demonstrate any such vehicles, machines or equipment. Upon notification by the Authority that reasonable grounds exist to question the safety or efficiency of any vehicle, machine or equipment, Concessionaire shall immediately remove the same from service and provide a satisfactory substitute.
- N. That it shall not do or permit to be done any act which:
 - 1. Will invalidate or be in conflict with any fire insurance policies covering the Airport and Authority or any part thereof or upon the contents of any building thereon, or
 - 2. Will increase the rate of any fire insurance at the Airport or charged to the Authority or any part thereof, or upon the contents of any building thereon, or
 - 3. In the opinion of the Authority, will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Agreement.

If by any reason of the Concessionaire's failure to comply with the provisions of this section, any fire insurance rate at the Airport, or any part thereof, or upon the contents of any building thereon, shall at any time be higher than it otherwise would be, then the Concessionaire shall upon demand pay the Authority that part of all fire insurance premiums paid or payable by the Authority which shall have been charged because of such violation by the Concessionaire.
- O. That no advertising signs shall be used or displayed by Concessionaire other than those approved in writing by the Executive Director, and no video or audio advertising shall be permitted.

**SECTION 15
LAWS, ORDINANCES, RULES AND NON-DISCRIMINATION**

- A. Laws, Ordinances and Rules: The Concessionaire agrees to observe and comply with all the laws, ordinances, rules and regulations of the United States of America, State of Minnesota, the City of Duluth, the Authority, and any agency, department of governmental subdivision thereof, including but not limited to the Department of

Homeland Security and the Federal Aviation Administration and their respective agencies now in effect or hereinafter promulgated which are applicable to its business at the Airport including all laws relating to unlawful discrimination, and further agrees to observe and comply with all Airport rules and regulations in existence at the execution of this agreement and which may, from time to time, be promulgated by the Authority governing conduct on and operations at the Airport and the use of its facilities, as administered by the Executive Director. Further, Concessionaire agrees to fulfill its responsibilities pursuant to the Airport Security Plan approved by the Federal Aviation Administration and any amendments thereto.

- B. Non-discrimination: The Concessionaire for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant with the land that:
- a. No person on the grounds of race, color, religion, sex, creed, age, disability, or national origin or ancestry, lawful source of income, marital status or familial status shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities; and
 - b. In the construction of any improvement on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, religion, sex, creed, age, disability, or national origin or ancestry, lawful source of income, marital status or familial status shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and
 - c. That the Concessionaire shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

SECTION 16 INDEMNIFICATION

- A. Concessionaire shall indemnify, save, hold harmless, and defend Authority and the City, their officials, agents and employees, successors and assigns, individually or collectively, from and against any claim including a claim for contribution or indemnity, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to, reasonable attorneys' fees, disbursements, court costs, and expert fees) based upon injury to persons, including death, or damage to property arising out of, resulting from, in conjunction with or incident to Concessionaire's operation of its business and/or performance of its obligations under this Agreement or use and/or occupancy of the Leased Premises or of the Airport, except where said claims, actions, losses, and damages are solely the result of the intentional or negligent acts of the Authority or the City, and on ten (10) days' written notice from the Authority, the Concessionaire shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage.
- B. Concessionaire shall indemnify, save, hold harmless, and defend Authority and the City, their officials, agents and employees, successors and assigns, individually or collectively, from and against any claim including a claim for contribution or indemnity, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to, reasonable attorneys' fees, disbursements, court costs, and expert fees) and any fines in any way arising from or based upon the violation of any federal, state, or municipal laws, statutes, resolutions, or regulations, including rules or regulations of the

Authority now in effect or hereafter promulgated, by Concessionaire, its agents, employees, or successors and assigns in conjunction with or incident to Concessionaire's operation of its business and/or performance of its obligations under this Agreement or use and/or occupancy of the Leased Premises or of the Airport, and on ten (10) days' written notice from the Authority, the Concessionaire shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage.

- C. The provisions of this Section shall survive the expiration, termination or early cancellation of this Agreement.

SECTION 17 ENVIRONMENTAL LIABILITY AND INDEMNIFICATION

In addition to the general indemnity stated in Section 16, and as part of it, it is specifically agreed between the parties that Concessionaire shall be responsible in all respects for Concessionaire's use of, or Concessionaire's generation of, or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic or dangerous substance, solid waste or a "hazardous waste" by either the United States Environmental Protection Agency or the Minnesota Pollution Control Agency. Concessionaire shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and response costs, monitoring, or cleanup of any environmental condition deemed by those agencies, or either of them, to require environmental response, monitoring or cleanup activities of any kind whatsoever which arise out of Concessionaire's use of, or generation of, such substances in its operations at the Airport, and, Concessionaire specifically agrees that the obligations of Section 15 above shall apply specifically to any cost or obligations of the Authority or City arising out of such response, disposition and/or clean up. The provisions of this Section shall survive the expiration, termination or early cancellation of this Agreement.

SECTION 18 INSURANCE

- A. Insurance Requirements. Concessionaire shall carry and maintain in full force and effect during the term of this Agreement the minimum amounts of insurance set forth below. The Concessionaire shall carry workers' compensation insurance on all of its employees employed on the Airport. Concessionaire may request the Authority to approve alternative types of insurance providing at least equal protection. All such insurance shall be in at least the following amounts and shall be in a form acceptable to the Authority and approved by the City Attorney, shall name the Authority and the City of Duluth as additional insureds on each liability policy and shall provide for thirty (30) days' written notice to the Authority of any cancellation or modification thereof. Certified copies thereof or appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority prior to the execution of this agreement. The Authority reserves the right and Concessionaire agrees to revisions upward or downward in the minimum insurance requirements hereinafter set forth. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota. All insurance policies required below shall be primary and shall not require contribution from any coverage maintained by the Authority and/or the City.

1. Commercial general liability insurance of not less than \$2,000,000.00 per occurrence for bodily injury, personal injury and property damage.
 2. Business Automobile Liability Insurance of not less than \$2,000,000.00 per occurrence including owned and/or leased automobile liability and non-owned and hired automobile liability.
 3. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.
- B. Insurance Primary. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- C. Additional Insureds. Authority and City shall be named as additional insureds on each of the policies above except the Workers' Compensation policy.
- D. Insurance Not Limitation: It is understood that the specified amounts of insurance stated in this paragraph shall in no way limit the liability of Concessionaire under this Section.
- E. Disclaimer: Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Concessionaire's interests and liabilities. It shall be the obligation and responsibility of Concessionaire to insure, as it deems prudent, its own personal property, against damage. Authority does not have insurance coverage for Concessionaire's property and Authority expressly disclaims any and all liability for any and all losses, damage and/or claims to vehicles and/or personal possessions of Concessionaire.

SECTION 19 SURRENDER OF POSSESSION

Upon the termination of this Agreement, Concessionaire's authority to use the Leased Premises, rights, facilities and equipment herein granted shall cease and Concessionaire shall, upon expiration or termination, promptly and in good condition, normal wear and tear excepted, surrender the same to the Authority. In the event that Concessionaire has in any way changed, altered or modified the Leased Premises demised herein, Concessionaire covenants to return the same to the condition they were in at the time of the occupancy under this Agreement, normal wear and tear excepted, or, in the alternative, to pay the Authority for the cost of returning them to said condition. Upon termination, any improvements which have become part of the realty shall become the property of the Authority, and the same shall be immediately returned to the ownership and control of the Authority. Any improvements not part of the realty shall be removed therefrom within ten (10) days after the termination of this Agreement or the same shall be deemed to have been abandoned to the Authority and the right of the Concessionaire to possession thereof shall cease.

SECTION 20 AUTHORITY'S RIGHTS UPON DEFAULT

- A. Rights Upon Default. If at any time Concessionaire shall be in default, as defined in this Section, with regard to the requirements of this Agreement, it shall be lawful for the Authority, and the Authority may at any time thereafter:
1. Immediately, or at any time thereafter without further notice to Concessionaire, re-enter into or upon the Leased Premises under this Agreement or any part thereof and take possession of the same fully and absolutely without such re-entry

representing a forfeiture of the rentals, fees, and charges to be paid and of the covenants, terms and conditions to be performed by Concessionaire for the full term of this Agreement, and in the event of such re-entry, the Authority may proceed with the collection of rentals, fees, and charges to be paid under this Agreement or to recover properly measured damages.

2. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter provided and re-enter upon said Leased Premises as of its former estate therein, and the Concessionaire covenants in case of such termination to indemnify the Authority against all loss of rentals, fees, and charges which the Authority has suffered or paid by reason of such termination, during the remainder of the term of this Agreement.
3. The Authority shall further have all other rights and remedies at law or in equity including injunctive relief, or summary proceedings for unlawful detainer, and any or all legal remedies, actions and proceedings shall be deemed cumulative.

B. Default Defined. "Default" shall be defined when any of the following circumstances exist:

1. If the Concessionaire has failed to pay rentals, fees, charges, CFC's, or taxes when due hereunder and such failure to pay shall continue for fifteen (15) days after written notice to Concessionaire in the manner hereinafter provided.
2. Failure to provide and/or maintain the insurance coverages required herein.
3. If the Concessionaire fails in the observance or performance of any of the other terms, covenants and conditions of this Agreement and such failure shall continue for fifteen (15) days after Authority has given Concessionaire written notice, or the Concessionaire shall have failed to commence the corrective action of such failure within fifteen (15) days after such notice and to diligently prosecute the same where the same cannot be completed within fifteen (15) days.
4. If a petition to reorganize the Concessionaire or for its arrangement of its unsecured debts shall be filed.
5. If the Concessionaire shall be adjudicated bankrupt.
6. If a receiver or trustee of the Concessionaire's property shall be appointed by any court.
7. If the Concessionaire shall make a general assignment for the benefit of creditors.
8. If all of the interest of the Concessionaire in its property shall be taken by garnishment, attachment, execution or other process of law.
9. If the Leased Premises shall be deserted or vacated.

C. Attorneys' Fees and Costs. In the event Authority shall prevail in any action or suit or proceeding brought by Authority to collect the rentals, fees, charges, CFC's, or taxes due or to become due hereunder or any portion thereof, or to take possession of the Leased Premises, or to enforce compliance with this Agreement or for failure to observe any of the covenants of this Agreement, Concessionaire agrees to pay Authority such sums as

a court may adjudge reasonable as attorneys' fees and costs to be allowed in such action, suit or proceeding.

- D. Non-Waiver. No waiver or default by Authority of any of the terms, covenants or conditions hereof to be performed, kept and observed by Concessionaire shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Concessionaire.

SECTION 21 CONCESSIONAIRE'S TERMINATION RIGHTS

Concessionaire shall have the right upon written notice to the Authority to terminate this Agreement upon the happening of one or more of the following events, if said event or events are then continuing:

- A. The issuance by any court of competent jurisdiction of an injunction, order or decree: (1) preventing or restraining the use by Concessionaire of all or any substantial part of the Leased Premises used and occupied by Concessionaire hereunder, or (2) preventing or restraining the use of all or a part of the Airport for normal airport purposes which may be used by Concessionaire and which is necessary for its operations on the Airport, or (3) preventing Concessionaire from operating an vehicle rental business and which injunction, order or decree remains in force for a period of at least ninety (90) days.
- B. If Authority defaults in any of the terms, covenants or conditions under this Agreement and fails to cure the default or make substantial progress with regard thereto within ninety (90) days following receipt of written demand from Concessionaire to do so.
- C. If all or a material part of the Leased Premises used and occupied by Concessionaire hereunder is damaged or destroyed or all or a part of the Airport or Airport facilities which are necessary to the operation of Concessionaire's business are damaged or destroyed or the use thereof disrupted for causes beyond Concessionaire's control.
- D. If, by reason of any action of any governmental authority, Concessionaire is unable to conduct its business for a period of in excess of ninety (90) consecutive days in substantially the same manner or substantially to the same extent as prior to such action.
- E. Permanent abandonment of Airport for scheduled airline service.

SECTION 22 SUBLEASES AND ASSIGNMENTS

Concessionaire shall not assign or transfer this Agreement, in whole or in part, in any manner, nor any interest therein, nor permit the foregoing Agreement to become transferred by operation of law or otherwise, nor do or suffer any acts to be done whereby the same may be or become assigned in whole or in part, unless the written consent of Authority shall first be obtained in each and every case of subletting, assignment or transfer. It is expressly agreed by the parties that a change in ownership of the controlling share of stock in Concessionaire, if any, shall be deemed to be an assignment hereunder. It is expressly agreed by the Concessionaire that in the event permission be granted by the Authority as herein provided, the sub-lessee or assignee shall be required to assume and agree to perform the covenants of this Agreement and that notwithstanding any such subletting or assignment, the Concessionaire shall be and remain liable

for the payments of all rents and other payments due hereunder and the performance of all covenants and conditions for the full term of this Agreement.

SECTION 23 SUBORDINATION

This Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States of America or the State of Minnesota relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or State funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.

SECTION 24 MODIFICATION

Any of the terms of this Agreement may be changed upon the mutual consent of the Authority and the Concessionaire, but to be valid any such changes must be in writing, dated, and must be executed with the same formalities as this Agreement. In the event that any provision of this Agreement is determined to violate any local, state, or federal rule or regulation or is deemed to cause a violation of any rate covenants, the Agreement shall be modified upon consultation with Concessionaire to cause such violation to be compliant with such provision and an amendment will be executed on a timely basis to incorporate the required changes.

SECTION 25 NOTICES

Any notice provided for in this Agreement or otherwise to the Authority shall be sent to:

Duluth Airport Authority
Executive Director
Duluth International Airport
4701 Grinden Drive
Duluth, Minnesota 55811.

Any notice to the Concessionaire hereunder shall be sent to:

Enterprise Leasing Company of MN, LLC
Vice President/General Manager
2775 Blue Water Rd.
Eagan, MN 55121

SECTION 26 AGREEMENT NOT LICENSE

Nothing contained herein shall be construed to be a grant of a franchise, consent, license, permit, right or privilege of any nature or kind whatsoever to operate omnibuses, taxicabs, or any other vehicles or conveyances carrying passengers or property, whether for hire or otherwise, outside the Airport or over the public street or roads located in any political subdivision of the State of Minnesota.

**SECTION 27
APPLICABLE LAW**

This Agreement, together with all of its SECTIONS, terms and provision, is made in the State of Minnesota and shall be construed and interpreted according to the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota. However, litigation in the federal courts involving the parties shall be in the appropriate federal court within the State of Minnesota. The parties to this Agreement waive any objections to the jurisdiction of these courts, whether based on convenience or otherwise.

**SECTION 28
SEVERABILITY**

In the event any provision of this Agreement shall be deemed invalid or unenforceable, the remaining provisions shall continue in force and effect and shall be binding upon the parties to this Agreement.

**SECTION 29
NONWAIVER OF LIABILITY**

Nothing in this Agreement constitutes a waiver by the Authority or the City of any statutory or common law defenses, immunities, or limits on liability. The liability of the Authority and the City shall be governed by the provisions of the Minnesota Municipal Liability Tort Act, Minn. Stat. 466.04.

**SECTION 30
AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE)
COMPLIANCE**

- A. The Authority has established an Airport Concession Disadvantaged Business Enterprise (ACDBE) program in accordance with the regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 23. The concessionaire is required to participate in the Authority's ACDBE program.
- B. This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, Title 49 CFR Part 23. The concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by Title 49 CFR Part 23.
- C. The concessionaire or contractor agrees to include the statement set forth in paragraph B in any subsequent concession agreement or contract covered by Title 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.
- D. Each year Concessionaire no later than February 1st shall provide Authority the requested ACDBE information.

- E. The Authority has available several remedies to enforce the ACDBE requirements contained in its contracts, including, but not limited to, the following:
 - 1. Breach of contract action, pursuant to the terms of this contract;
 - 2. Breach of contract action, pursuant to applicable State Statutes

- F. The federal government has available several enforcement mechanisms that it may apply to firms participating in the ACDBE problem, including, but not limited to, the following:
 - 1. Suspension or debarment proceedings pursuant to 49 CFR part 23;
 - 2. Enforcement action pursuant to 49 CFR part 31; and
 - 3. Prosecution pursuant to 18 USC 1001.

- G. The Authority will comply with all regulations set forth in 49 CFR Part 23 and will monitor concessionaires at the Airport for compliance with the ACDBE program.

- H. The Authority will submit to the Federal Aviation Administration's Regional Civil Rights Office, an annual ACDBE participation report showing the commitments and attainments. The Authority will take measures to ensure nondiscriminatory participation of ACDBEs in concession, and other covered activities.

**SECTION 31
COUNTERPARTS**

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

**SECTION 32
ENTIRE AGREEMENT**

This Agreement, including Exhibits A-D constitutes the entire agreement between the parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto. There are no representations, warranties, or stipulations either oral or written not herein contained.

Dated: _____

DULUTH AIRPORT AUTHORITY

Enterprise Leasing Company of MN, LLC

By _____
Its President

By _____

Its _____

By _____
Its Secretary

Exhibit A

Terminal Leased Premises

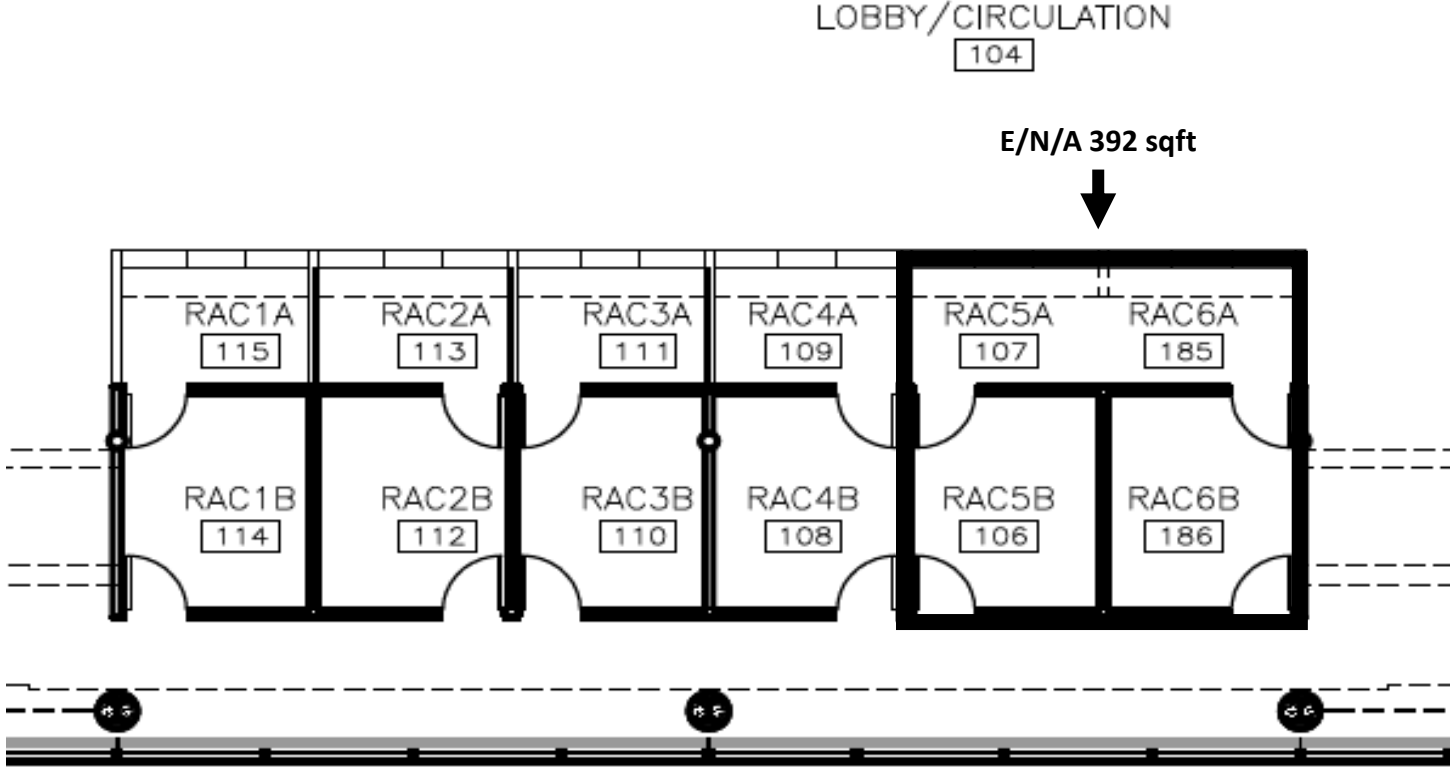


EXHIBIT B

Ready/Return Spaces-Surface and Overflow Lot

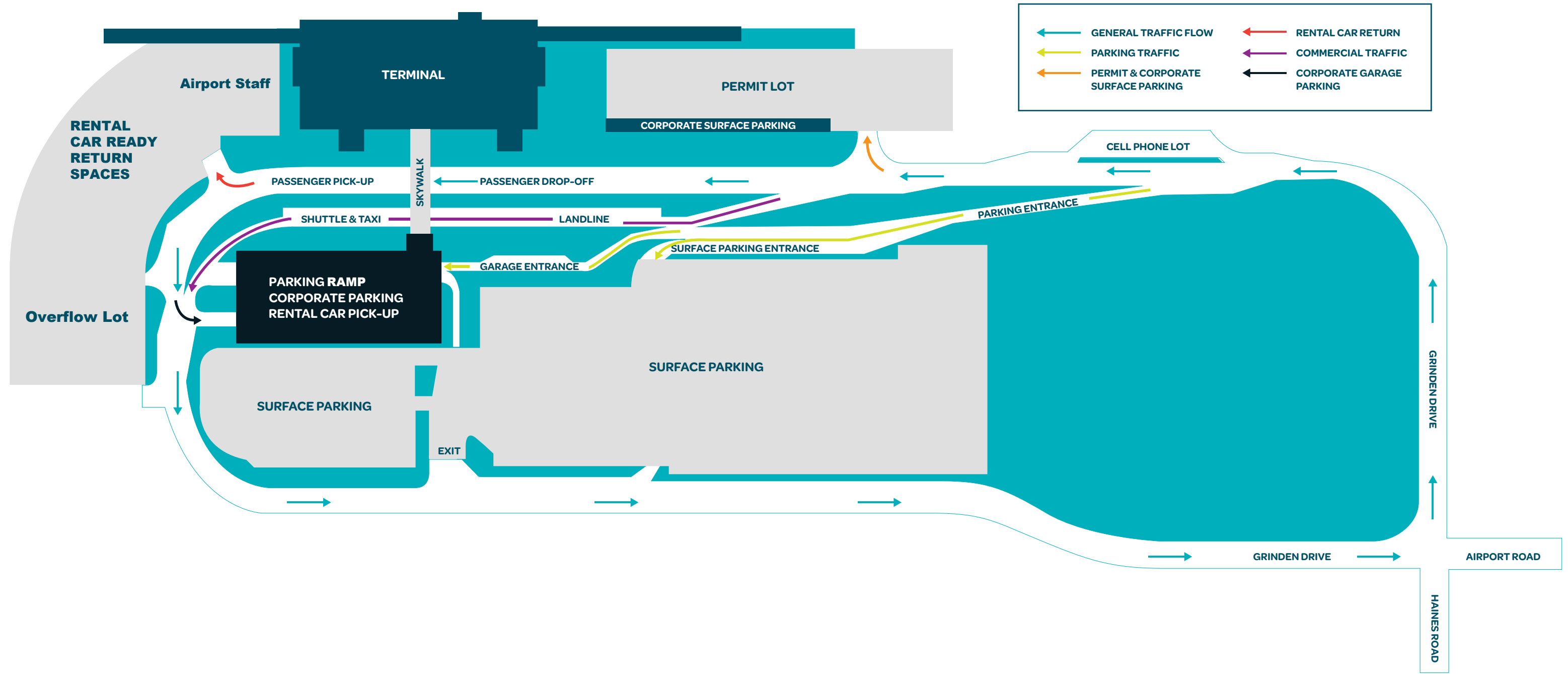
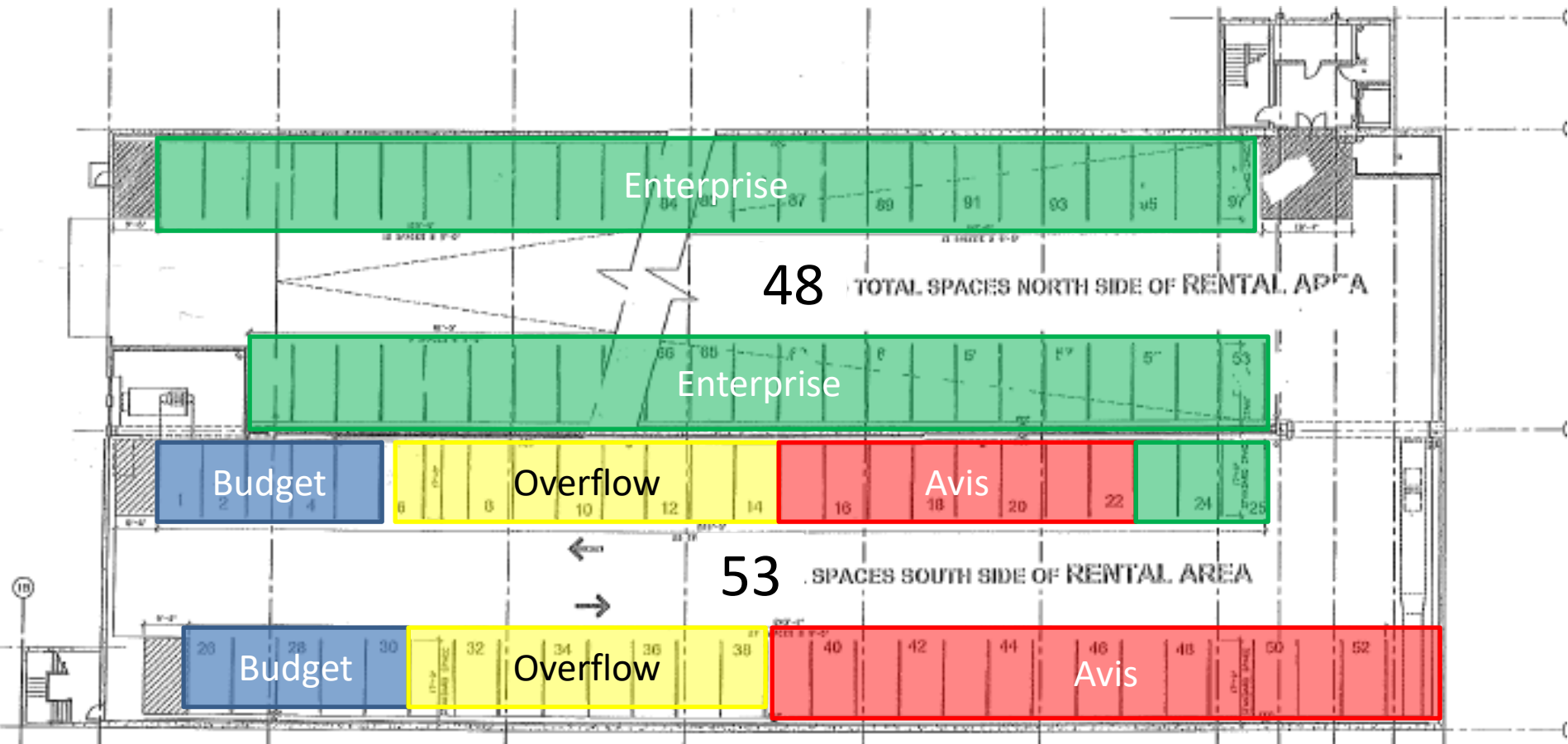


EXHIBIT C

Ramp Ready/Return Spaces



Enterprise – 51 parking spots
 Avis – 23 parking spots
 Budget – 10 parking spots
 Overflow-17

EXHIBIT D

Internet Access Agreement



This Internet Access Agreement (“Agreement”) is made by and between the Duluth Airport Authority (“DAA”) and Car Rental Company (“Customer”) as of January 1, 2024, and describes the Services, the term of the Agreement, the prices for the Services, service level commitments, and any other Customer or Services specific terms and conditions. For purposes of this Agreement, the “Effective Date” is defined as the date upon which “DAA” first delivers Service.

1. **Services Description.** Internet Access provided via Fiber Connectivity to Airport Terminal located at 4701 Grinden Drive, Duluth, MN 55811. Internet Access of 100Mbps with a single IP address. Additional IP addresses can be purchased at a rate of \$24.95 per additional IP address per month.

Charges for other services are not included. This includes, but is not limited to cross-connection to other customers or carriers, colocation charges, etc. Access to the global internet at Quality of Service (“QoS”) support are not included. Service is provided not for resale for the use of the Customer and no other parties.

Service will be provided in the DAA Airport Terminal building Demarc. Wiring between Customer provided equipment and the building Demarc is available outside the scope of this Agreement.

Customer is solely responsible for protection of Customer owned devices by providing a firewall with suitable threat management, filtering tools and manufacturer support. In no event shall DAA, underlying carrier, or DAA’s IT provider be responsible for security or protection of Customer owned equipment.

2. **Services Term.** The Services Term shall commence upon the Effective Date and shall continue until December 31, 2028. Once the Effective Date has passed, Customer must pay for the Services through the end of the Services Term regardless of whether Customer is actually using the Services throughout the duration of such Term.

Following the expiration of the Services Term and failure of the parties to enter into any agreement for extension thereof, this Agreement and Customer’s license to use the Services, shall continue in effect on a month-to month basis upon the same terms and conditions specified herein, unless terminated by either Customer or “DAA” upon thirty (30) days’ prior written notice to the other party. Notwithstanding the foregoing, Customer’s license to use Services shall, at all times, be contingent upon the election by “DAA” to continue to own or lease or operate the Airport Terminal, and such election to be at the sole discretion of “DAA”.

3. **Termination:**

- a) **Termination for Cause.** Either Party may terminate this Agreement for cause, provided written notice specifying the cause for termination and requesting correction within thirty (30) days is given to the other Party and such cause is not corrected within such thirty (30) day period. Cause is any material breach of any term of this Agreement, provided that in no event shall DAA be liable for the acts, omission or delays caused by third party vendors to DAA (specifically including incumbent carriers) as long as DAA has made commercially reasonable efforts to obtain necessary services on a timely basis. Cause shall include but not be limited to failure of Customer to pay charges when due, improper use of Services resulting in degradation or blockage of the network, fraudulent use of the Services provided, or refusal of the Customer to abide by the term of the Agreement. Unless otherwise stated in this Agreement, if DAA terminates for cause, Customer shall pay as liquidated damages and not as a penalty, the following:
 - a. if such termination is prior to installation of Services, damages shall be those actual and reasonable expenses incurred by DAA through the date of termination;

EXHIBIT D

Internet Access Agreement

- b. If after activation of Services, Customer shall pay in addition to any charges for Services used, damages equaling 80% of the last three months average billing multiplied by the number of months remaining under the term of the Agreement, actual expenses incurred by DAA to initiate or terminate the Services, any installation charges waived, and any discounts or credits granted.

If Customer terminates this Agreement for cause, Customer's sole remedy, in addition to any service credits that Customer may be entitled to, shall be to terminate this Agreement. All reasonable costs and expenses, including but not limited to attorneys fees, court costs and service charges, incurred by the Party terminating for cause in accordance with this section, will be an expense of and charged to the defaulting Party. Remedies under this Agreement are exclusive and limited to those expressly stated in this Agreement.

- b) Termination without Cause. Customer may also terminate the Agreement without cause, upon thirty (30) days written notice; however, the Customer shall pay in addition to any charges for Services used, damages equaling 80% of the last three months average billing multiplied by the number of months remaining under the term of the Agreement, actual expenses incurred by DAA to initiate or terminate the Services, any installation charges waived, and any discounts or credits granted.

4. Services Pricing. For the Services rendered pursuant to this Agreement, Customer shall pay "DAA" \$120 per month. Customer will be invoiced on or around the first of the month for which the service is for. Payment is due by the last day of the month for which it is for. Recurring charges for partial months shall be prorated.

Beginning January 1, 2024, the rate will be established annually in accordance with the rates and charges schedule adopted annually by the Authority. Customer will be advised of the proposed rate at least thirty (30) days prior to adoption by the Authority.

(a) **Payment Terms.** If payment for Services under this agreement is not received within thirty (30) calendar days of the due date DAA may suspend services provided under this agreement and a \$50 reconnection fee shall be charged upon restoration of services.

(b) **Installation Fees.** The Installation Fees are those one-time charges applicable to the initial installation of Services (including, without limitation, installation of fiber, installation of equipment, configuration of equipment and any third party service fees).

(c) **Build-Out Fees.** Build-Out Fees are those one-time charges applicable to individual Services that are outside the standard Service offering. Build-Out Fees are payable in full by Customer to "DAA", and no work will be performed by "DAA", its authorized representatives or Customer to build out the Services prior to the completion and execution of all necessary paperwork and receipt by "DAA" of all applicable Build-Out Fees. Build-Out Fees are not refundable in the event Customer changes or cancels the Services.

5. Content of User Communications. User communications, including any information stored on any devices provided by DAA or its underlying carrier (Paul Bunyan Telephone Cooperative, "PBC"), are the sole responsibility of Customer. Customer agrees to use Service in compliance with all applicable federal, state, and local laws, regulations, court orders and governmental agency orders. Any change in rates, charges or regulations mandated by the legally constituted authorities will act as a modification of any contract to that extent. Customer agrees to use the Service in compliance with any acceptable use policies, rules, or regulations that DAA or PBC may establish to protect the security, integrity, or reliability of its systems.

6. Service Level Commitments. Customer acknowledges that the Services are provided on an "AS IS" basis without warranties of any kind, either expressed or implied, including but not limited to

EXHIBIT D

Internet Access Agreement



warranties of title or implied warranties of merchantability or fitness for a particular purpose. Under no circumstances, including negligence by DAA or any other person or entity involved in providing the Services, shall DAA or its employees, agents, affiliates or subcontractors, be liable to Customer, to any customer of Customer or to any user of the Services, or to any other person for any direct, indirect, incidental, special or consequential damages, including but not limited to loss of profits, that may result from the inability to use, omission, deletion, interruption or any other failure of performances or malfunction of the Services from any cause whatsoever or from any breach of this Agreement. Customer's sole remedy shall be a service credit for the period of time, if any, that the Services were not in operation as required hereunder.

- (a) **Indemnity.** Customer agrees to indemnify and hold harmless DAA and its employees, agents, affiliates and subcontractors of and from any and all obligations, liabilities, claims, damages and costs, including without limitation reasonable attorneys' fees, arising out of or relating to the content of user communications.
- (b) **Force Majeure.** Notwithstanding anything herein to the contrary, any Service level commitments described in this section shall not apply in any situations where delays or outages are caused or exacerbated by conditions beyond the reasonable control of "DAA", including, without limitation, power surges or outages; severe weather and storms; natural disasters; strikes or other labor unrest; power failures; nuclear or other civil or military emergencies; acts of legislative, judicial, executive or administrative authorities; Customer or third-party acts or omissions; denied access; failure of Customer's Equipment, facilities or applications; or force majeure. In addition, all maintenance related outages or delays performed during the Maintenance Window (as defined herein) and any other scheduled maintenance performed outside the Maintenance Window will be excluded from any measurement period hereunder. Scheduled maintenance is defined as any maintenance activity performed outside the Maintenance Window of which Customer has received notice not less than twenty-four (24) hours in advance. Customer's account must be current and have no outstanding balance due in order for Customer to be eligible for any credits. Customer's total credit in any contract year shall not exceed 30 days fees for the covered service type and credits may not be carried over to subsequent years. Customer must request outage credits in writing within 30 calendar days of the outage. Under no circumstances will any tests (for example PING tests) performed by Customer or any other party be recognized by DAA as a valid measurable criterion for outage determination for the purposes of establishing a service credit hereunder.
- (c) **Internet Service.** Internet Access will be available not less than 99.99% of the time within any given calendar month. The scope of this SLC does not include, under any circumstances, any server on the Internet, Customer premise equipment ("CPE") or access service not provided by DAA. DAA will use commercially reasonable and good faith efforts to ensure that eligible outages isolated to DAA's Core Network affecting a Customer's specific resource will be resolved as soon as reasonably possible. Failure to meet this objective may make Customer eligible for a service credit to be applied to Customer's next monthly invoice for Services.

Outage credits will be Customer's sole remedy with respect to such an event. No outage credit will be issued and DAA will not be liable for any service outage caused by any planned maintenance or force majeure event described in section b above. No outage credit will be issued and DAA shall not be liable for any service interruption caused by Customer's equipment or failure of Customer to comply with any requirement of this Agreement. Outage credits are only issued for outages of the fiber provided to the DAA terminal, no outage credits are available for a failure of Internet access provided by PBC. Customer must request outage credit in writing within 30 days of an outage. Outage credits shall not exceed 100% of the monthly Services Pricing in any given month.

EXHIBIT D

Internet Access Agreement



Access Type	Length of Outage	Amount of Credit
Internet Access	>1 hour and <= 4 hours	10%
Internet Access	>4 hours and <= 8 hours	25%
Internet Access	>8 hours and <= 24 hours	50%
Internet Access	>24 hours	100%

7. **Technical Support.** Free technical support is provided by the DAA’s underlying carrier, Paul Bunyan Telephone Cooperative, “PBC”. DAA’s IT provider will provide maintenance and support of DAA owned equipment. Maintenance and support of Customer owned equipment is the sole responsibility of Customer.

8. **Other Services/Customer Specific Terms and Conditions.**

(a) **Default.** In addition to the remedies available to “DAA” under this Agreement and all other remedies available at law or in equity, if Customer fails to perform, or otherwise breaches, its obligations hereunder (including, without limitation, failing to pay for the Services) and Customer fails to remedy such breach within five (5) days after receipt of written notice thereof, “DAA” shall have the right, immediately and without further notice, to discontinue performance hereunder and terminate this Agreement. Any failure of “DAA” to exercise its rights shall not constitute, or be construed by Customer as being, a waiver of any past, present or future right or remedy.

If Customer commits an act of default with respect to the purchase of telecommunications services from “DAA”, which would entitle “DAA” to terminate its services to Customer, then “DAA” shall be entitled to terminate this Agreement,.

(b) **No Conflicts.** In the event of a conflict between the terms and conditions contained in this Agreement or any schedules thereto and those contained in any other Agreement, the terms and conditions of this Agreement shall control. Notwithstanding the foregoing, all existing terms and conditions and any schedules thereto, not expressly amended by the provisions of this Agreement shall remain in full force and effect and apply to the parties hereto.

(c) **No Assignment.** This contract may not be assigned to any third party without the written consent of DAA.

(d) **Services Delivery.** Title to, and ownership of, all equipment and facilities DAA uses in supplying Services is and remains with DAA. DAA will supply Services described in this Agreement in any manner and by means of any equipment, software, and facilities DAA chooses. The method of providing of Services is a matter within DAA’s sole discretion.

(e) **Miscellaneous.** This Agreement shall be governed by the laws of the state of Minnesota. In the event that a court, government agency, or regulatory agency with proper jurisdiction determines that this Agreement or a provision of this Agreement is unlawful, this Agreement, or that provision of the Agreement to the extent it is unlawful, shall terminate. If a provision of this Agreement is terminated but the parties can legally, commercially and practicably continue without the terminated provision, the remainder of the Agreement shall continue in effect.

IN WITNESS WHEREOF, the Parties have signed this Addendum in duplicate on the Effective Date _____

**EXHIBIT D
Internet Access Agreement**



Duluth Airport Authority

Customer

By _____

By _____

Name _____

Name _____

Title _____

Title _____

VII. - .

TEMPPLATE

VII.

. |

VII. - G.

Duluth Airport Authority Resolution to Approve Renewal Agreement between iFIDS and the Duluth Airport Authority.

Terms:

- 3 Year Term effective from January 1, 2024

Agreement Overview:

This renewal agreement is for the information displays throughout the terminal that display all of the various flight and data information used by the travelling public and tenants at the airport. This information is critical to ensure smooth and consistent operations around the airport.

Financial Overview:

Monthly Costs – 3rd Party data feed - \$160/month

Annual Costs - \$17,880

Year 1: \$17,880 – (Minus a 44% Discount)

Year 2: \$17,880 – (Minus a 22% Discount)

Year 3: \$17,880



Integrated Airport Solutions

Price Proposal for Renewal of
iFIDS Operational Database and Display System Solution

at

Duluth International Airport

January 31, 2024

Submitted by:

iFIDS Inc.

807-625-9260

www.ifids.com

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Recurring Fees Detail

The iFIDS airport operational database system (AODB) solution consists of a variety of different system modules. The specific modules quoted here have been included in this proposal based on needs defined by the Client.

iFIDS Monthly System Access Fees – 5% Discounted 3-Year Term Rates

	Module	Unit Cost	Qty	Amount
1	System framework. Per concurrent user login license. 2 license minimum.	\$53.00	4	\$212
2	Flight status update automation module. Per data source ¹ .	\$79.00	1	\$79
3	Flight schedule load automation module. Per data source license ² .	\$457.00	0	\$0
4	Asset scheduling and conflict resolution module. Per gate.	\$34.00	0	\$0
5	Asset scheduling and conflict resolution module. Per podium.	\$34.00	0	\$0
6	Asset scheduling and conflict resolution module. Per carousel.	\$34.00	0	\$0
7	Public address (PA) system integration module. Per integration license.	\$257.00	0	\$0
8	Baggage belt assignment module. Per input device license.	\$91.00	0	\$0
9	Check-in counter assignment module. Per check-in display.	\$28.00	0	\$0
10	Information displays module. 2 license minimum. Per display license ^{3,4} .	\$54.50	22	\$1,199
11	Advertising and multimedia module. Per display with advertising.	\$21.00	0	\$0
12	Weather information module. Per display with weather.	\$21.00	0	\$0
13	Aircraft landing and parking fees billing module Per 250K pax enplanement. 2 Licence minimum.	\$314.00	0	\$0
14	Lease / space / concession revenue management module Per 250K pax enplanement. 2 Licence minimum.	\$241.00	0	\$0
Total Monthly System Access Fees ⁵ :				\$1,490

Note 1: Additional fees for 3rd party flight data sources may be incurred.

Note 2: Additional fees for 3rd party schedule data sources may be incurred.

Note 3: Covers all types of displays such as flight information, baggage, gate, check-in and advertising.

Note 4: 24 total displays are active (4 BIDS, 3 GIDS, 5 Checkins, 10 FIDS).

Note 5: Applicable term discounts are described in the Additional Discounts section on page 2 of this Agreement.

System access fees entitle you to ongoing system updates, enhancements and bug fixes. The end-user support component of this fee entitles you to 1.0 hours of pre-paid end-user support per month.

Third Party Data Feed Subscription Fees

	Description	Monthly
1	Flight data feed for the flight status update automation module.	\$160
Total Monthly:		\$160

Contract Body

iFIDS.com Inc. ("iFIDS"), an Ontario corporation with its principal office located at Suite 300, 100 Princess Street, Thunder Bay, Ontario, Canada, P7E 6S2, and Duluth International Airport Limited, 4701 Grinden Drive, Duluth, MN, 55811, United States, (herein the Client), hereby agree that the following terms and conditions will apply to the provision of iFIDS software systems and services.

Effective Dates

The Effective Date of this Agreement will be January 1, 2024.

Term/Termination

This Agreement shall commence on the Effective Date of this Agreement and remain in effect for a period of three (3) years (the "Agreement Term").

Termination of this Agreement at any point not coincidental to the end of the Agreement Term must be accompanied by payment of all fees due for the remainder of the Agreement Term.

Additional Discounts

In addition to term discounts:

- 1) The iFIDS System Access Fees are discounted 44% for the first year of this agreement (January 1, 2024 through December 31, 2024).
- 2) The iFIDS System Access Fees are discounted 22% for the second year of this agreement (January 1, 2025 through December 31, 2025).

Overholding

If the Client declines to renew terms beyond the end of the Agreement Term specified in this Agreement, but services are continued beyond the end of the Agreement Term, the Agreement is considered to be in an Overholding state. Fees for Agreements in Overholding will increase to 130% of undiscounted 1-year term rates.

Payment Terms

- 1) The first annual amount is due January 31st, 2024.
- 2) Subsequent annual amounts will be invoiced January 1st, 2025, and each year thereafter. Invoices are due net-30 days from invoice date.
- 3) iFIDS Fees will increase annually by two and one-half (2.5) percent or Canadian CPI, whichever is greater.
- 4) Third Party Data Feed Subscription Fees are set by the third-party and may be subject to change within the Agreement Term.
- 5) All prices are stated in United States Dollars.

User and System Support

Demand support for critical issues is available 24 hours per day, 7 days per week via pager (for critical support during non-office hours and during Canadian statutory holidays).

Support staff are available between 08:30 and 17:00 Canadian Eastern Time (GMT –4 from mid-March to the end of October and GMT –5 otherwise). The support office is open Monday through Friday excluding Canadian statutory holidays. Telephone calls received during this period will be answered immediately. Email support is always available and we endeavor to respond as quickly as possible, within the support office hours mentioned above.

If pre-paid support amounts are exceeded, iFIDS will charge support overages at demand rates with a ½ hour call minimum. Support resource contributions related to resolution of issues resulting from malfunctioning software program code will not be charged to the Client.

Cloud Hosting Services

Please refer to the FIDS Hosting Services Service Level Agreement (SLA).

iFIDS Software Version Access

This Agreement entitles the Client to access to future iFIDS software versions within the context of the iFIDS modules purchased through this Agreement.

Display and Display Controller Hardware Warranty

Minix brand Display Controllers are warranted by iFIDS as follows:

- 1) Free replacement of failed units within six months of receipt at the Client premises
- 2) Fifty percent hardware replacement cost and fifty percent iFIDS configuration labor rates between seven and eighteen months of receipt at the Client premises.

Any other hardware components purchased on behalf of the Client and installed at the Client premises during the course of this Agreement to support iFIDS software function are warranted by the manufacturer.

Terms of Use

1. Software

Client acknowledges and understands that iFIDS may provide to Client:

- b) iFIDS product suite and/or
- c) Software Applications owned by Third Parties, which iFIDS uses under license Agreements from Third Parties.

Client further acknowledges that

- a) Title to all such iFIDS Software and Software Application remains with and is subject to the proprietary rights of iFIDS, and
- b) Such iFIDS Software and Software Application contain trade secrets and other valuable proprietary information of iFIDS or its Third-Party vendor.

2. License Restrictions

Client agrees it shall not: (a) alter or modify the iFIDS Software Application or any part thereof; (b) copy or duplicate, or permit a Third Party to copy or duplicate, the iFIDS Software or Software Application or any part thereof or (c) reverse engineer, de-compile or disassemble iFIDS Software or Software Application, unless otherwise provided in the relevant Product Schedule. (d) Client may not, for commercial purposes, re-market all or any portion of the Services provided under this Agreement, or make all or any portion of the Services available to any person without the prior written consent of iFIDS, or make use of (iFIDS) software in any way except for support of Client's own operation, except as expressly stated in this Agreement.

3. License Expiration

Licenses in this agreement will expire in the following circumstances:

- a) If payment for an amount owing is not received within 45 days of invoice date or invoice receipt, whichever is later. iFIDS license monitoring systems will proactively notify iFIDS AR personnel and Client AP personnel in advance of such an event.
- b) 45 days from the end of the most recent agreement Term in situations where the Client has elected to not renew or extend the Agreement.

4. Non-Transferable Agreement and Exceptions

Client agrees not to license, sell, transfer, lease or disclose the iFIDS Software or Software Application to any Third Party except as expressly stated in this Agreement.

5. Software Ownership

All components of iFIDS System Software provided in this Contract contain trade secrets and other valuable proprietary information of iFIDS and shall remain at all times the property of iFIDS.

6. Display and Display Controller Ownership

Hardware components purchased on behalf of the Client and installed at the Client premises during the course of this Agreement to support iFIDS software function are the property of the Client unless expressly otherwise identified in Agreement addenda.

Client Responsibilities

This section describes Client's additional responsibilities under this Agreement.

1. Client will designate qualified personnel to act as liaison between Client and iFIDS.
2. Client is responsible for obtaining and complying with license terms for all Client-provided software, if any, and represents to iFIDS that the terms of such licenses shall allow use of the software on the hardware, as well as the implementation by iFIDS of the iFIDS System Software as proposed.
3. Client agrees to comply with Canadian Province of Ontario law with regard to the transmission of technical data, which is exported from Canada through the iFIDS System Software. Client further agrees not to use the iFIDS System (a) for illegal purposes or (b) to interfere with or disrupt other network users, network services or network equipment. Interference or disruptions include, but are not limited to, distribution of unsolicited advertising or chain letters, propagation of computer worms and viruses, and use of the network to make unauthorised entry to any other machine accessible via the network. Violations of the foregoing by Client may result in termination of services by iFIDS.
4. Upon Client's acceptance of the iFIDS Solution, Client shall be responsible for the administration of all end user login names and passwords for the purpose of authenticating and authorising access by end users to the iFIDS System Software (iFIDS).

Invoicing and Payment

Invoices will be submitted to:

Duluth International Airport Limited
4701 Grinden Drive
Duluth, MN, 55811
United States

Invoices may also be sent electronically via email to the appropriate Client personnel. Payment may be submitted by mail or electronic wire transfer. Payment remittance information including mailing address and EFT bank details are noted on iFIDS invoices.

Liability

The iFIDS liability under this Agreement shall be limited to the actual performance of the iFIDS Software. Any warranties contained herein are in lieu of all other warranties expressed or implied including but not limited to the implied warranties of merchantability and fitness for a particular service.

Indemnity

Client hereby acknowledges that iFIDS does not own or have any control over the content, or any other aspect of any Client information in iFIDS, including, without limitation, all data, files, and all other information or content accessible or made available to or by Client or Client authorized end-users through the use of the Services. Client agrees to indemnify and save iFIDS harmless from and against all loss, liability, damages of any type and expenses, including reasonable counsel fees, arising from any and all claims in connection with Client's or its end-users' use of the Services, excluding breach of privacy incidents (capped to the limits of iFIDS's insurance limits) and excluding infringement of intellectual property rights. iFIDS shall indemnify, defend and save Client harmless from and against all loss, liability, damages of any type and expense, including reasonable counsel fees, arising from any and all claims in connection with defects in or failure of the Services. If any third party brings a lawsuit or proceeding against the Client based upon a claim that the Software breaches the third party's patent, copyright or trade secrets rights, iFIDS shall indemnify, defend and hold Client harmless against any loss, damage, expense or cost, including reasonable attorney fees, arising from the claim.

Neither party is liable to the other party or its respective directors, officers, shareholders, employees, contractors and agents for any indirect, punitive or consequential damages whatsoever in respect of any claims or Liabilities under or in relation to this Agreement or any loss of profits, loss of revenue, loss or use of any systems, however arising, regardless of whether the party has been advised of the possibility of such damages.

Termination due to Insolvency

Both iFIDS and the Client reserve the right to terminate this Agreement where either iFIDS or the Client commits or is subject to an act of insolvency. In the event iFIDS becomes insolvent and provided the Client is not in default of any provision of this Agreement iFIDS agrees that a copy of the source code for iFIDS.com, along with all additional files and documentation necessary to support the Client's (iFIDS) installation, will be supplied to the Client.

Termination for Default

If either party commits a material breach of its obligations under this Agreement and fails to cure that breach within sixty (60) days after receiving written notice of the breach, the other party may terminate this Agreement immediately upon written notice to the party in breach.

Termination due to Force Majeure

To the fullest extent permitted by law, the parties shall have no liability whatsoever to each other due to any failure to perform any of their obligations under this Agreement arising from Force Majeure, provided, always, that in the event of such failure, the parties will use reasonable efforts to fulfil their obligations. “Force Majeure” means an event, the cause or causes of which are not attributable to the parties’ acts or omissions, including, but not limited to (i) earthquake, flood, hurricane, explosion, fire, storm, epidemic, quarantine restriction, other acts of God or public enemies, war, national emergency, invasion, insurrection, riots, strikes, picketing, boycott, lockouts or other civil disturbances, (ii) any laws, rules, proclamations, regulations, orders, declarations, interruptions or requirements of or interference by any government or governmental agency or official thereof, or (iii) any other cause or circumstances whether similar or dissimilar, foreseen or unforeseen, which the parties are unable to overcome through the exercise of reasonable diligence and at a reasonable cost.

Dispute Resolution

All disputes shall be referred to senior management representatives of the parties with authority to determine the disagreement. Senior management representatives of the parties must confer to attempt to resolve the dispute. If the parties have not resolved the dispute within 15 business days or any other period agreed to in writing between the parties, any party may commence court proceedings in relation to the dispute. In the event of a dispute, subject to any statutory rights, all parties must continue to perform their obligations under this Agreement.

Appropriate Law

The resulting contract shall be governed by and construed in accordance with the laws in force in the Province of Ontario, Canada.

General Conditions - Goods and/or Services

1. This Agreement, including these General Conditions, forms the entire contract between iFIDS and the Client in respect of provision of Services specified herein to the Client and no variation thereof, irrespective of the wording or terms of the Client’s acceptance, will be effective unless specifically agreed to in writing by iFIDS. No local, general or trade customs shall be deemed to vary the terms thereof.
2. In the event of discrepancies or conflicts between these General Conditions and anything in the other documents making up this Contract, the General Conditions shall govern.
3. Goods will be new and unused unless specified otherwise herein and delivered strictly in accordance with the quantities, specifications and terms and conditions of this Contract.
4. The prices are F.O.B. origin and exclude all charges for packing, loading, unloading and transportation unless otherwise specified herein.

5. iFIDS will not be responsible for performance of its obligations hereunder where delayed or hindered by embargoes, strikes, causalities, civil unrest or natural occurring events or "acts of God" beyond iFIDS' control.

FEDERAL AVIATION ADMINISTRATION

Mandatory Contract Clauses

Civil Rights Title VI Assurances 49 USC § 47123

GENERAL CIVIL RIGHTS PROVISIONS

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

Compliance with Nondiscrimination Requirements:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books,

records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

Sanctions for Noncompliance: In the event of a Contractor’s noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
- b. Cancelling, terminating, or suspending a contract, in whole or in part.

Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

Mandatory Solicitation Clause

Title VI Solicitation Notice:

The Duluth Airport Authority in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 USC §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, [select businesses, or disadvantaged business enterprises or airport concession disadvantaged business enterprises] will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in consideration for an award.

Title VI List of Pertinent Nondiscrimination Acts and Authorities:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, *et seq*) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, *et seq.*)

Signatures

I, we agree to the terms and conditions specified for the supply of goods and provision of services as set out in this purchase Agreement:

iFIDS.com Inc.

_____	_____
iFIDS.com Director	Witness
_____	_____
Print Name	Print Name
_____	_____
Date	Date

Acceptance

The iFIDS.com proposal for Services specified is hereby accepted on behalf of the Client.

_____	_____
Client Signature	Witness
_____	_____
Print Name	Print Name
_____	_____
Date	Date

VII. - H.

Duluth Airport Authority DAA Board Packet Budget vs. Actual Summary From Jan 2023 to Adjust 2023

UNAUDITED DRAFT - TO BE UPDATED UPON COMPLETION OF AUDIT

Financial Row	Prior Year Actual (Jan 2022 - Adjust 2022)	Current Year Actual (Jan 2023 - Adjust 2023)	Budget Amount (Jan 2023 - Adjust 2023)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2023 - Adjust 2023)
Ordinary Income/Expense							
Income							
Non-Aeronautical Revenue	2,898,950	3,489,883	2,950,799	118.27%	590,933	539,084	2,950,799
Non-Passenger Aeronautical Revenue	1,579,764	1,703,868	1,643,775	103.66%	124,104	60,093	1,643,775
Passenger Airline Aeronautical Revenue	1,347,874	1,446,496	1,321,416	109.47%	98,622	125,080	1,321,416
Total - Income	5,826,588	6,640,247	5,915,990	112.24%	813,659	724,257	5,915,990
Gross Profit	5,826,588	6,640,247	5,915,990	112.24%	813,659	724,257	5,915,990
Expense							
Miscellaneous Expenses	31,886	97,797	71,436	136.90%	65,911	26,361	71,436
Personnel Compensation & Benefits	2,657,090	2,774,141	2,909,323	95.35%	117,051	(135,182)	2,909,323
Services and Charges	2,239,078	2,465,535	2,266,993	108.76%	226,457	198,542	2,266,993
Supplies	753,689	760,144	768,676	98.89%	6,455	(8,532)	768,676
Total - Expense	5,681,743	6,097,617	6,016,427	101.35%	415,874	81,190	6,016,427
Net Ordinary Income	144,844	542,630	(100,437)	-540.27%	397,785	643,067	(100,437)
Other Income and Expenses							
Other Income							
Capital Contributions	1,775,065	2,400,321	0	0.00%	625,256	2,400,321	0
Non-Operating Revenue	637,981	852,055	496,209	171.71%	214,074	355,846	496,209
Total - Other Income	2,413,046	3,252,376	496,209	655.44%	839,330	2,756,167	496,209
Other Expense							
Non-Operating Expense	160,434	141,964	221,964	63.96%	(18,470)	(80,000)	221,964
Total - Other Expense	160,434	141,964	221,964	63.96%	(18,470)	(80,000)	221,964
Net Other Income	2,252,612	3,110,413	274,245	1,134.17%	857,800	2,836,167	274,245
Net Income Exclusive of Project Expenses, Depreciation & Amortization	2,397,457	3,653,042	173,808	2,101.77%	1,255,586	3,479,234	173,808
Projects/Grants	12,745,764	14,576,333	17,939,470	81.25%	1,830,569	(3,363,137)	17,939,470
Depreciation & Amortization	(10,743,651)	0	(10,007,639)	0.00%	10,743,651	10,007,639	(10,007,639)
Net Income	4,399,570	18,229,375	8,105,638	224.90%	13,829,806	10,123,737	8,105,638

- **Overall:** At the time this report was generated for the above period, the DAA is at an overall favorable variance budget vs actual of over \$3.4M. COVID Relief Funds are responsible for \$2.4M this positive variance. The 2023 budget assumed \$1,438,776 of cash reserves would be used to keep the budget flat. Excluding COVID relief funds, the DAA is at a favorable variance of budget vs actual of over \$1 M.
- **Operating Revenue:** Non-Aeronautical Revenue is \$539k over budget overall due to increased parking revenues of over \$350k, car rental concessions of \$45k, Landline per arrival/departure fees, and food and beverage concessions of \$12k. Non-passenger aeronautical revenue is 60k over budget due to increased concessions and rent. Passenger Airline Aeronautical revenue is 125k over budget due to increased rent. Operating Revenues are nearly \$724k over budget overall.
- **Operating Expenses:** Personnel Compensation and Benefits are \$135k under budget. Supplies are 8k under budget. Services and charges are 198k over budget. Operating expenses are \$81k over budget overall. Not all expenses have been posted for 2023.
- **Non-Operating Revenue:** Non-operating revenue is substantially over budget because we requested all remaining COVID relief in January 2023. This totaled \$2.4M. Interest income is up \$301k due to our increased cash balance. PFCs came in \$54k over budget as well.
- **Non-Operating Expenses:** Non-Operating Expenses are down \$80k, as the line of credit was not been utilized in 2023.
- **Report Disclaimer:** The results of this report are expected to change slightly with delayed revenue and expense postings as well as audit adjustments. Expenses will be reviewed for capitalization at year-end which may adjust these numbers.
- **OPERATING POLICY #28 MINIMUM CASH BALANCE REPORTING AS OF 2/12/2024:**
 - Minimum Cash Balance Goal: \$2,801,956
 - Current Balance: \$4,453,289 (does not include grants receivable)
 - Days Cash on Hand: 286 days currently vs 180 day benchmark (106 days over goal)

UNAUDITED - DRAFT
Duluth Airport Authority
Income Statement
From Jan 2023 to Adjust 2023

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	\$32,466.20
Concession Revenue	
ATM	\$620.50
Car Rental Concession	\$605,905.78
Food & Beverage Concession	\$92,226.18
Lottery Concessions	\$1,521.63
Parking	\$144,216.13
Per Departure Fee	\$3,600.00
Per Passenger Fee	\$37,217.00
Services/Other	\$893.29
TNC Per Trip Fee	\$11,139.00
Vending	\$6,859.17
Total - Concession Revenue	\$904,198.68
Customer Facility Charges	\$244,904.00
Miscellaneous Revenues	\$105,912.48
Parking	\$1,512,255.99
Permits	\$5,915.05
Plowing Services	\$2,022.96
Reimbursed Expenses	\$91,673.15
Rent	\$248,545.61
Sponsorship Income	\$77,000.00
State Aid	\$264,988.90
Total - Non-Aeronautical Revenue	\$3,489,883.02
Non-Passenger Aeronautical Revenue	
Aviation Gas	\$64,915.74
Concession Revenue	\$183,062.92
Event Income	\$38,999.10
Landing Fees	\$36,673.06
Ramp Fees	\$21,663.48
Rent	\$1,250,260.25
Security Reimbursement	\$100,588.66
Tie Downs	\$7,705.00
Total - Non-Passenger Aeronautical Revenue	\$1,703,868.21
Passenger Airline Aeronautical Revenue	
Landing Fees	\$302,054.73
Per Use Fee	\$5,324.85
Terminal Office/Space Rental	\$1,139,116.20
Total - Passenger Airline Aeronautical Revenue	\$1,446,495.78
Total - Income	\$6,640,247.01
Gross Profit	\$6,640,247.01
Expense	
Miscellaneous Expenses	
Miscellaneous Expenses	\$2,121.00
Licenses & Taxes	\$20,738.57
Memberships, Dues & Subscriptions	\$14,636.00
Transaction Fees	\$60,301.74
Total - Miscellaneous Expenses	\$97,797.31
Personnel Compensation & Benefits	
Benefit Administration Fees	\$367.20
Employer Contributions for Retirement	\$251,132.59
Employer Paid Insurance	\$444,755.43
Retiree Benefits	\$138,953.43
Unemployment Compensation	\$3,740.85

Financial Row	Amount
Wages & Salaries	\$1,903,950.33
Worker's Compensation	\$31,241.04
Total - Personnel Compensation & Benefits	\$2,774,140.87
Services and Charges	
Advertising	\$2,929.00
Badging	\$5,000.00
Central Services Fee	\$73,200.00
Communications & Technology	\$232,900.40
Employee Development Services	\$68,070.65
Employee Physicals	\$3,673.00
Finance Charge	\$1,050.00
Insurance	\$121,739.44
Marketing	\$161,057.60
Professional Services	\$491,906.45
Rentals	\$13,241.07
Repairs and Maintenance - Contractual/Services	\$659,318.29
Sponsorship Expenses	\$6,650.00
Transportation	\$518.22
Utility Services	
Electric	\$384,223.16
Fuel Oil	\$1,358.07
Natural Gas	\$64,648.02
Propane	\$1,877.17
Refuse Disposal	\$25,359.45
Storm Water	\$129,430.68
Water	\$17,384.25
Total - Utility Services	\$624,280.80
Total - Services and Charges	\$2,465,534.92
Supplies	
Merchandise for Resale	\$58,461.97
Office Supplies	\$36,554.23
Operating Supplies	\$254,374.91
Repairs & Maintenance Supplies	\$410,753.02
Total - Supplies	\$760,144.13
Total - Expense	\$6,097,617.23
Net Ordinary Income	\$542,629.78
Other Income and Expenses	
Other Income	
Capital Contributions	
Grants	\$16,976,654.04
Total - Capital Contributions	\$16,976,654.04
Non-Operating Revenue	
Interest Income	\$355,703.42
Passenger Facility Charges	\$496,351.91
Total - Non-Operating Revenue	\$852,055.33
Total - Other Income	\$17,828,709.37
Other Expense	
Non-Operating Expense	
Interest Expense	\$141,963.72
Total - Non-Operating Expense	\$141,963.72
Total - Other Expense	\$141,963.72
Net Other Income	\$17,686,745.65
Net Income	\$18,229,375.43

UNAUDITED - DRAFT
Duluth Airport Authority
Balance Sheet
End of Dec 2023

Financial Row	Amount
ASSETS	
Current Assets	
Bank	\$7,724,011.31
Accounts Receivable	\$4,952,673.07
Other Current Asset	
Inventory Assets	\$23,984.80
Prepaid Items	\$43,516.93
Undeposited Funds	\$167,163.94
Total Other Current Asset	\$234,665.67
Total Current Assets	\$12,911,350.05
Fixed Assets	
Accumulated Depreciation	(\$152,234,067.04)
Capital Assets	\$265,308,374.21
Work in Progress	\$20,812,814.47
Total Fixed Assets	\$133,887,121.64
Other Assets	
Accumulated Amortization	(\$2,704,381.64)
Airport Planning Projects - Contributed	\$5,410,626.72
Airport Planning Projects - Invested	\$763,452.79
Deferred Outflows - OPEB	\$293,497.00
Deferred Outflows - Pension	\$524,632.00
LT Lease Receivable	\$2,252,032.75
Total Other Assets	\$6,539,859.62
Total ASSETS	\$153,338,331.31
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable	\$278,057.39
Contracts Payable	\$4,064,849.79
Lottery Payable	\$5,514.79
Total Accounts Payable	\$4,348,421.97
Credit Card	\$4,587.69
Other Current Liability	
Accrued Expense	(\$6,100.00)
Accrued Interest	(\$0.04)
Accrued Payroll Deductions	\$13,525.87
Accrued Salaries & Wages	\$93,141.31
Accrued Sales Taxes Payable - All	\$16,519.34
Accrued Vacation	\$122,778.26
Deferred Inflows - Lease Asset	\$2,300,124.37
Deferred Inflows - OPEB Liabilities	\$76,820.00
Deferred Inflows - Pension	\$23,745.00
Loans Payable to City of Duluth	\$955,000.00
Unearned Revenue - Current	\$244,709.72
Unearned Revenue - Non Current	\$97,765.70
Total Other Current Liability	\$3,938,029.53
Total Current Liabilities	\$8,291,039.19
Long Term Liabilities	
LT Loans Payable to City of Duluth	\$3,210,000.00
Net Pension Liability	\$1,647,368.00
Total Other Post Employment Benefit Liability	\$3,451,083.45
Total Long Term Liabilities	\$8,308,451.45
Equity	\$136,738,840.67
Total Liabilities & Equity	\$153,338,331.31

VII. - I.

Duluth Airport Authority Duluth A/R Aging Report As of February 14, 2024

Customer	60 Duas Open Balance	90 Days Open Balance	>90 Days Open Balance	Total Open Balance
Avis Rent A Car	\$0.00	\$0.00	\$0.00	\$2,660.90
Beier Properties, LLC	\$0.00	\$0.00	\$0.00	\$2,941.03
BKR Investments DBA Duluth Pack	\$250.00	\$250.00	\$250.00	\$1,000.00
Brenholdt, Jacob	\$51.00	\$0.00	\$0.00	\$102.00
Case, Ronald Jr.	\$0.00	\$0.00	\$0.00	\$51.00
Churchill, Sean	\$47.72	\$47.72	\$0.00	\$349.72
Cirrus Design Corporation	\$0.00	\$998.97	\$32,966.50	\$33,965.47
City of Duluth	\$1,770.34	\$2,080.00	\$0.00	\$5,620.68
Civil Air Patrol	\$0.00	\$0.00	\$0.00	\$989.25
Clobes, Nathan	\$0.00	\$0.00	\$0.00	\$153.00
Cohen, Marc	\$0.00	\$0.00	\$0.00	\$51.00
Dal Santo, Frances M	\$0.00	\$0.00	\$0.00	\$254.28
Delta Airlines	(\$6,280.63)	\$0.00	\$0.00	\$50,970.62
DeSutter, Peter	\$0.00	\$0.00	\$0.00	\$51.00
Divine Carriers	\$147.60	\$139.27	\$265.53	\$700.00
Dudley Bruce	\$0.00	\$0.00	\$90.00	\$90.00
Duluth Hangar, LLC	\$0.00	\$0.00	\$0.00	\$869.48
Duluth Seaway Port Authority	\$2,093.23	\$0.00	\$0.00	\$2,093.23
Dunker, Christopher L	\$0.00	\$0.00	\$9,103.20	\$9,103.20
Ellefson, Nicholas	\$0.00	\$0.00	\$0.00	\$254.28
Enterprise Leasing Company	\$136.84	\$0.00	\$0.00	(\$31,393.59)
FeraDyne Outdoors	\$0.00	\$0.00	\$0.00	\$6,837.00
General Services Administration	\$0.00	\$0.00	\$0.00	\$5,631.76
Goritchan Boris	\$0.00	\$0.00	\$2,004.00	\$2,004.00
Hagberg, Rick	\$0.00	\$0.00	\$206.56	\$460.84
Hall John	\$0.00	\$0.00	\$0.00	\$315.47
Harris, Melissa	\$0.00	\$0.00	\$0.00	\$153.00
Hatfield, Dan	\$0.00	\$0.00	\$0.00	\$254.28
Hermantown Hydraulics	\$714.90	\$714.90	\$181.98	\$2,326.68
Hillman Colin	\$0.00	\$0.00	\$0.00	\$300.00
Hunstad, Nicholas	\$0.00	\$0.00	\$0.00	\$114.83
HydroSolutions Of Duluth, Inc.	\$0.00	\$0.00	\$0.00	\$3,466.75
Johnson, Richard	\$0.00	\$100.10	\$0.00	\$683.40
Johnston, Paul	\$0.00	\$0.00	\$0.00	\$254.28
K & D Auctions	\$0.00	\$0.00	(\$3,472.44)	(\$3,721.44)
Kleen-Tech Services, LLC	\$0.00	\$0.00	\$708.69	\$1,918.66
Lake Superior Helicopters	\$0.00	\$0.00	\$0.00	\$6,186.71
Mark Marino	\$0.00	\$0.00	\$0.00	\$2,150.53
Maurices, Inc.	\$4,558.00	\$0.00	\$0.00	\$4,558.00
Messerer Jon	\$0.00	\$0.00	\$0.00	(\$357.92)
Minnesota Air National Guard	\$0.00	\$0.00	\$0.00	\$4,374.84
Minnesota Department of Transportation	\$173,799.18	(\$2,366.64)	\$340,135.69	\$3,399,127.33
Miscellaneous	\$0.00	\$0.00	\$0.00	\$175.00
Monaco Air Duluth	\$0.00	\$6,846.34	\$6,846.34	\$21,169.02
Mountain Air Cargo	\$2,073.05	\$0.00	\$0.00	\$3,768.05
Northland Constructors, Inc.	\$0.00	\$0.00	\$0.00	\$181.50
Oakwells CR, LLC	\$0.00	\$0.00	\$0.00	\$320.00
On Site Enterprises, Inc	\$0.00	\$0.00	(\$2.00)	(\$2.00)
Opack Matthew Jr.	\$0.00	\$0.00	\$0.00	\$249.15
Parthe, Lance	\$329.02	\$0.00	\$276.64	\$934.68
Payne, Robert	\$0.00	\$276.64	\$0.00	\$605.66
Premium Air, LLC	\$53.35	\$0.00	\$65.00	\$118.35
Rasier, LLC	(\$498.00)	\$0.00	\$0.00	(\$982.50)
Rehabilitation Counselors, Inc.	\$0.00	\$0.00	(\$75.00)	(\$75.00)
RS&H	\$120.00	\$0.00	\$0.00	\$2,881.77
Safstrom Jon	\$0.00	\$0.00	\$0.00	\$153.00
St. Luke's Hospital	\$0.00	\$0.00	\$0.00	\$10,000.00
Stevens, Mike	\$0.00	\$0.00	\$0.00	\$254.28
Sun Country, Inc. dba Sun Country Airlines	\$2,459.04	\$0.00	(\$5.04)	\$2,574.00

Customer	60 Duas Open Balance	90 Days Open Balance	>90 Days Open Balance	Total Open Balance
Sundquist, Margie	\$51.00	\$51.00	\$51.00	\$204.00
Sydow Dan	\$264.02	\$329.01	\$0.00	\$593.03
The Landline Company	\$0.00	\$0.00	\$0.00	\$733.19
Transportation Security Administration	\$0.00	\$0.00	\$0.00	\$2,292.54
Twin Ports Dermatology	\$2,279.00	\$0.00	\$0.00	\$2,279.00
unifi	\$0.00	\$0.00	\$0.00	\$4,147.00
United Airlines	\$36,503.06	\$0.00	\$0.00	\$36,503.06
Williams, Ron	\$0.00	\$0.00	\$0.00	\$254.28
Total	\$220,921.72	\$9,467.31	\$389,596.65	\$3,607,246.61

Jenny Delnay

From: Jennifer Szekely <Jennifer.szekely@landlineco.com>
Sent: Friday, February 9, 2024 5:31 PM
To: Jenny Delnay; AR
Cc: Yaroslavna Alvarez
Subject: DLH January 2024 Stats

Hello Jenny,

Below are the January 2024 stats. Please let me know if you have any questions.

	Jan 2024
Departing Rev Pax	732
Van Departures	-
Bus Departures	24
Total Departures	24

Pax Type	Market	Pax Count	Seats (AU)
Revenue	Departures	732	1,104
	Arrivals	446	1,104
Revenue Total		1,178	2,208
NonRev	Departures	17	-
	Arrivals	11	-
NonRev Total		28	-
Grand Total		1,206	2,208

Kind regards,

Jennifer



Jennifer Szekely | Accounting Manager
jennifer.szekely@landlineco.com | landline.com

